

JPRS-EER-89-016  
16 FEBRUARY 1989



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# ***JPRS Report***

## **East Europe**

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JPRS-EER-89-016

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## BULGARIA

### Party Daily Attacks Management Corruption at Combine

22000036 Sofia RABOTNICHESKO DELO  
in Bulgarian 16 Nov 88 pp 1, 4

[Article by Momchil Gurev, RABOTNICHESKO DELO correspondent in Plovdiv Oblast, Pazardzhik: "You Scratch My Back and I'll Scratch Yours," Or the Way the General Director of a Technological Combine Made Money"]

[Text] The management of Dimitur Bazhdarov, general director of the Konstantin Rusinov Technological Combine for Rubber Goods in Pazardzhik, has already turned into a scandal, not only in the combine but throughout the city. Some people talk, others write complaints to various authorities. Meanwhile, Bazhdarov remains the director.

Is it only a rumor that Bazhdarov is getting richer from rationalizations and inventions which are of no scientific and practical value? Are there any reasons for complaints by specialists and workers of having been expelled without justification? Is it true that the combine is concealing production capacities with a view to "over-fulfilling" its plan? Is it possible for the entire family of the general director to be earning additional funds from his place of employment? On the basis of what income are he and his wife paying their party membership dues?

Many similar as well as embarrassing questions exist. Answers could be obtained for, as the saying goes, he is up to something and something will always show up somewhere. The activities of this individual, to whom a great deal of power and rights have been entrusted, along with a great responsibility for the fate of the largest enterprise in the former Pazardzhik Okrug, have already been "triangulated" from several sides, considering the harm it is causing to the collective and many individuals.

Dimitur Bazhdarov's career has been a successful one. After graduating from the Higher Chemical-Technological Institute in Sofia, he started his career in the allocation of materials at the then K. Rusinov rubber plant. He methodically made his way along the rungs of the hierarchical ladder: technologist, shop chief, production chief, and deputy director. On 1 July 1986 he was appointed general director of the combine. His wife Ivanka Bazhdarova also holds a "key position." Until last April she was chief of the combine's central laboratory.

Even before becoming general director, Bazhdarov successfully achieved his aspiration of making money by all possible means. He quickly realized that by making an original "use" of his knowledge in the area of rubber technology, the best way to achieve this would be by engaging in "active rationalization and invention activities," and he plunged into it. I recall that several years

ago I asked him to describe to me his successes in that area. He refused and I thought that he was being modest. However, we are beginning to realize that he knew very well even then why he refused....

The financial audit of his rationalization suggestions has now been completed. The auditing report has not been drafted yet but the results of a partial audit are scandalous. For the first fully investigated rationalization, the collective headed by Dimitur Bazhdarov overcharged 4,000 leva whereas he, personally, overcharged more than 2,000 leva. The planned economic results of his own (or co-authored) rationalizations were computed on an unrealistic basis, thus leading to significantly higher authorship fees than were due. Thus, as early as 1981, Bazhdarov personally received 3,408 instead of 1,666 leva for rationalization suggestion No 89 "Optimizing the Thickness of the Calender of Transportation Belts," while his wife Ivanka Bazhdarova received 1,136 instead of 556 leva. Engineer Ivan Nuriev, co-author of this rationalization, has stated that he put his share of the authorship fee in an envelope and has not touched that money, knowing that the time will come to refund it.

The partial audit alone shows other similar examples. The overall audit has established a greater number of violations.... From 1982 until the end of last year, Dimitur Bazhdarov earned 23,877 leva in authorship fees from rationalizations in the combine alone, in which he participated as author or co-author. A preliminary assessment by experts auditors of the economic results of his rationalization suggestions will be reduced by about 1 million leva.

Dimitur Bazhdarov's invention activities are very "impressive." From 1981 to the end of last year he submitted to the INRA suggestions for 66 inventions. According to the audit, 51 of them were accepted, 11 were rejected and four are incomplete.

However, something else was checked as well: the legitimacy of the expert evaluation of the authorship certificates which were issued. It was established in the case of 16 inventions selected at random that authorship certificates were issued illegally. It has been suggested to invalidate 12 of them by the Supreme Court, and as to the other four, for which the 1-year deadline has not expired, a procedure will be initiated to declare them insignificant and to annul them as per Article 86 of the Law on Inventions and Rationalizations.

Actually, what did the "inventor" do?

The descriptions of claims of authorship are not descriptions of methods but of combinations of compositions which were already previously known. The transcripts show no data of any discovered new property of such compositions for any new objective, as a result of which a positive effect could have been achieved. The described compositions offer no creative solution and do not meet invention standards.

How was the "inventor" able to achieve such results beneficial to himself?

Naturally, he was not alone. Bozhko Bozhkov, head of the chemical experiments at the INRA, senior scientific associate Vitomir Nikolov, from the Central Institute for the Chemical Institute, and Professor Khristo Tenchev from the Higher Chemical-Technological Institute, are directly involved with his "successes:" the former as the assigner of expert evaluations and the others as performers. In turn, Professor Khr. Tenchev accepted reviews on the requests submitted by Bazhdarov not from someone else but from Vitomir Nikolov. Furthermore, he was in charge of the expert evaluations assigned to him by Bozhko Bozhkov, in which participated, as D. Bazhdarov's co-author, his assistant at the department of the VKhTI, Docent Yordan Putov. The latter has frequently worked "shoulder to shoulder" with Dimitur Bazhdarov in their "active rationalization and invention efforts."

Supernumerary experts have no right to make independent decisions, for which reason their resolutions were signed by Bozhko Bozhkov. The latter shut his eyes to the violations in making the expert evaluations in terms of the already indicated as well as the legally stipulated requirements of making comparisons with models considered to be the best worldwide. The experts compared the level of the described competitions with products manufactured by the K. Rusinov combine or data of monographs published as early as 1964 and 1965. Furthermore, the files show no correspondence with the authors or minutes of meetings with them in the determination of creative assignments. All activities were based on "total trust." We must also note the fact that Bozhko Bozhkov, Vitomir Nikolov, and Khristo Tenchev became involved in a variety of civil and other contracts concluded by Dimitur Bazhdarov, for which they have earned about 2,000 leva each.

Dimitur Bazhdarov applies even more skillfully the principle of "you scratch my back and I'll scratch yours" within the combine itself. Starting with 1982, as chairman of the technical-economic council, he surrounded himself with loyal people: Yordan Putov, Ivanka Bazhdarova, Georgi Dongov, Stoyka Tosheva, Tanka Spasova and Ivan Slavkov. They have almost always acted as co-authors in the rationalizations and inventions. After concluding a project and paying for developments, Ivan Slavkov would collect funds to be offered to someone as a token of gratitude. Such money has been contributed by Milcho Kenderov, Stoyan Khaydushki, Ivan Nuriev and others.

The rule in the combine is that unless a member of the Bazhdarov group is not included in any rationalization suggestion, the suggestion will be rejected. Of the 20 suggestions submitted by Kostadin Karchinov it is only those which have included members of that group that have been accepted.

Anyone who opposes unsubstantiated technical rationalization suggestions or the style and methods of management of the director is fired.... The following specialists were dismissed from the TIS: Milcho Kenderov, Tanya Gyurova, Milka Penina, Todor Todorov and others. The following specialists have left: Bot'o Botev, Liliya Boteva, Ognyan Uzunov, Yordan Iliev, Yordan Vasilev, Dimitur Stefanov, Margarita Khristova, Lazar Bozhinov, Yordan Balikov, Iliya Doychinov, Petur Khristov, Anton Pangev, Iliyana Bromova, Stoyan Georgiev, Nedalka Naneva, Ivanka Popova and others. This is an entire detachment of able specialists! A significant number among them were forced to leave by a rather tricky method: on the basis of separating production from economic problems. If the marked specialist fails to quit, the director proclaims him inept and... fires him. Another group of specialists were "reassigned."

Unfortunately, Dimitur Bazhdarov had the opportunity of accumulating wealth in other ways as well. And he did. In 3 years, from 1985 to the end of 1987, he was paid 10,394 leva in awards for fulfilled and overfulfilled assignments in the areas of socialist competition, TNTM, Article 73 of the Law on Inventions and Rationalizations and other activities. Within the same period and in the first months of this year his wife Ivanka Bazhdarova received rewards totaling 9,107 leva. Were all those awards deserved?

Actually, nor are the "successes" achieved by Dimitur Bazhdarov as general director concerning the overfulfillment of production and economic assignments a very dark secret. It has been proven that in addition to the production funds based on the general account, additionally fixed capital and facilities worth another 23 million leva have been installed. Not only was no industrial output planned for such assets but even the plans called for a lower output as stipulated in the general accounts by a sum of 14,555,000 leva. Therefore, the successes reported by the combine in recent years have not been the result of the "high" qualities displayed by Dimitur Bazhdarov as an economic manager.

Another bad impression results from the customs violations committed by the general director in the course of his official trips abroad. Such violations have been confirmed. They include a personal computer and other objects which were presented to him as gifts in Japan and a digital tuner which was gifted to him in the FRG. Concealing illegally acquired items and objects, and presenting an unsigned customs declaration are truly unworthy actions on the part of anyone and, particularly, a general director.

The combine and the national economy have suffered substantial losses in their foreign trade activities as a result of carelessness or deliberate actions committed by Dimitur Bazhdarov and the management. In that area, in addition to claims for criminal negligence, and the truly poor quality of exported goods, there have also been other violations....

Should we go on enumerating other such dirty actions, unworthy of a manager on this level? Such as the fact that he has sent free of charge (to a certain address in Sofia) 84 carefully selected used automobile tires made in the West, which should actually be sold to the citizens, and which should not take this route to "the consumer." Or the fact that the Bazhdarov family is concealing income in paying its party membership dues. In 1986 alone Dimitur Bazhdarov failed to pay membership dues for additional income totaling 10,000 leva and his wife, for about 7,000 leva.

All of these actions committed by Dimitur Bazhdarov, general director of the K. Rusinov TKKI in Pazardzhik, were confirmed by the various control authorities. According to preliminary data the auditing document will provide proof of many other grave violations of financial and contractual discipline.

All of this is no secret in general to the thousands-strong collective of the combine or the Pazardzhik public. That is why many are those who are asking when will it become possible to put an end to the possibility of committing such actions by this presumptuous general director? The universal indignation has become even greater now, when a restructuring in all of our areas of life is taking place. Has the hour of the prosecutor not struck yet?

Considering all of this, which is accurate, today Dimitur Bazhdarov is quite depressed. How else could it be: There have been so many investigations of his actions with clear results.... However, yet another problem which, in my view, is important, cannot be avoided.

As he told me, not one of those who have investigated him so far has spoken with him. It will be proper to ask ourselves: Is this the truth? And if it is, why has no one gone to talk to Bazhdarov whatever he may have done?

#### Necessary Editorial Postscript

By the time that this material was going to press, the article "Profiteering Patent" came out in OTECHESTVEN FRON (No 11,0032, 14 October 1988), written by Lili Todorova. Some of the facts related to violations committed by Engineer Dimitur Bazhdarov were considered quite critically. That was the reason for which we abstained from the publication of the bitter and concerned lines you have just read.

Yet even after 1 month, there has virtually been no change in the official status of the general director of the combine in Pazardzhik! A number of questions have appeared. Who is benefiting from such delays and was there not enough time to act? Does the collective need this sluggishness, after its confidence in the manager (to the extent to which it existed) has been weakened? Or else what about Bazhdarov himself, whose nerves are certainly not made of steel but are ordinary, human?

What about the usefulness to the national economy, which cannot fail to be affected by the situation which has developed at the Konstantin Rusinov combine?

Such is the reason for which we published this material, which sheds additional light on the case.

## CZECHOSLOVAKIA

### Proposed New Constitution Justified 24000043 Prague RUDE PRAVO in Czech 6 Dec 1988 p 1

[Editorial: "Why a New CSSR Constitution?"]

[Text] The depth of the changes which our society is undergoing now has underscored even more the necessity to fulfill one of the resolutions of the 17th Congress of the CPCZ—to draft a new constitution of the Czechoslovak Socialist Republic. This extremely important task was recently the subject of discussions at the Plenum of the Central Committee of the CSSR National Front.

A constitution is, in our way of thinking, the foundation of the legal code of the socialist state, a document of the rights and obligations of the citizens, and creates legal provisions for fulfilling the goals of the program for the development of society. In February we began to draft already the third constitutional document of our socialist state. This fact reflects the dynamism of state structuring in Czechoslovakia and the development of socialist constitutionality itself.

The constitution has an exceptional position in our legal code. For that reason, society places great demands on the constitutional document, which is the core of the constitution. It must express the basic arrangement of social relationships for the achieved level of social development and also with a view to prospective development. In the case of the CSSR Constitution that is being drawn up, it means that the new arrangement of social relationships should give society in the coming period a dependable instrument for exercising state power under conditions of a broad socialist democracy and socialist self-government by the people.

The social role of the constitutional document demands that its content be clear, well-arranged, and comprehensible to all. Only thus can the very foundation of the legal code become a means for regulating the behavior of every citizen, and permeate the principles of the everyday life of the public.

During the 28 years which passed since the proclamation of the still valid constitutional document—the Constitution of the Czechoslovak Socialist Republic, our highest legislative body enacted more than 40 constitutional laws. They are laws of the highest legal force. They were enacted as a result of the changes in the structure of the state (creation of the federation) as well as of relations

with other countries. During this period Czechoslovakia signed a number of international treaties dealing with territorial, economic, and humanitarian issues. By doing so, our state undertook the obligation to reflect their content in its legal code. The actual Czechoslovak constitution thus already surpassed in many respects the content of the CSSR Constitution adopted in July 1960.

Today, the work on the new CSSR Constitution has become part of the comprehensive social restructuring. The new constitution will represent a further development of those principles of socialist state structure which have proven themselves here as well as in other socialist countries.

All power in a socialist state belongs to the working people, it is a principle which has to be embodied in the new constitutional document as well as be the basis of all laws and legal regulations.

This power of the workers is realized through forms of direct and indirect democracy. Many of their present principles can be retained—for example the principle of democratic centralism. In other instances it would be appropriate to create provisions in the new legal code for a broader application and renewal of their democratic character. We will have to consider whether and how to include in the constitution some new practices, such as, for example, using the referendum as a form of direct democracy in questions of the development of territorial units.

The new constitution will follow up on the already achieved positive results of the federative structure of the Czechoslovak state. As to the make-up of the structure and jurisdictions of the highest government agencies of the federation and the republics, which on the whole have proven themselves, we will have to take into account the changes in the structure of the production factors, and the changes in the organization of directing production, including the participation in international economic cooperation with socialist countries. It can be expected that the practice of restructuring the economic mechanisms will bring incentives for new forms of management and for anchoring them in the law.

The restructuring of the economic mechanism probably will demand also a new modification in the constitution of the concept of socialist ownership of the means of production. Obviously, the need will arise to express in the supreme legal code the relationships of various forms of ownership—state, cooperative, and individual—and provide them with certainty of existence and prospects for functioning.

The work on the new constitution in the area of implementing the principles of the unity of state power will also take the road of strengthening and renewing all that

has been proven and verified in practice, and of considering new initiatives—joining legislation, administration, and control. The possibilities of how to give greater influence to the representative bodies in the system of state agencies will be considered on the basis of experiences and future needs.

The principle of socialist constitutionality and legality, which makes it binding on all the government agencies and citizens always to act in accord with the constitution and laws of our country, also has proven itself.

However, the current level of social development will undoubtedly inspire thinking about how to reflect the entire sphere of human rights more comprehensively and deeply in the new constitution. In a situation when the USA and a number of other countries, which are giving us and others "lessons on human rights," have not yet, in contrast to the CSSR, signed the pertinent international agreements, we deem it necessary to project the comprehensive and internationally recognized concept of human rights into our new constitution. The rights of the citizens should be clearly anchored in the constitution and laws, and the limits of these rights precisely defined, so that the citizens' rights will be determined only by the law and not curtailed by legal rulings of a lower legal body or by administrative practices of the state administrative agencies.

Heretofore, socialist legality placed emphasis on the passive aspect—on the obligation to obey the law. The new constitution as the basis of the entire legal code should develop more deeply and consistently the principle that laws—starting with the constitution—be formulated in such a way that they create space for initiative and activism, and that they link the passage of citizens and economic entities into this space with the necessary measure of responsibility toward themselves as well as toward the state.

The goal of the work on the new constitution and concurrent modifications of the legal code is the strengthening of the socialist social structure and order in exercising state power, linking it with the interests of the citizens. For that reason, the Central Committee of the CSSR National Front established a commission for the drafting of the CSSR Constitution. Its composition from members of all political parties and representatives of social organizations of the National Front and from the ranks of leading specialists and legal experts guarantees that in drafting the constitution, the opinions of the public will be respected.

A wide-ranging discussion, which will be part of the drafting of the new CSSR constitution, will create conditions for further development of the tradition of Czechoslovak progressive constitutionality.

**Idea of Socialist Democracy Explained**  
24000042 Prague TRIBUNA in Czech 7 Dec 88 pp 8-9

[Article by Rudolf Janik: "Democracy, Justice, and Restructuring"]

[Text] Whereas Marxism consistently associates a democratic society with the solving of economic, social, and spiritual relationships in society, some other theories and ideological directions, same as the practice of capitalism itself, stay with pseudo-democracy. Its substance lies in declaring democracy, freedom, and justice by means of various laws, while reality is determined by private-ownership relationships. Bourgeois democracy does not take the class division of society into account. It proclaims democracy for the people, while at the same time, thanks to the status of the bourgeoisie in the material as well as the spiritual sphere, it is precisely the bourgeoisie that can reap the benefit of freedom, equality, and justice.

Marxism sees democracy as a form of exercising power through a quite specific class. After all, the first question which Marxism posed was: democracy for whom? For the minority or for the majority? As long as true freedom, justice, and equality is to exist in a given society, then it must exist for the majority. In capitalism, the majority is the dominance of capital. And not only over manual laborers, but also over a large part of the intelligentsia, farmers, and other strata of society. Can one then talk about democracy as a government by the people? Or is "democracy" only a cloak making easier the domination of the masses by a small, privileged group of those who own the means of production? It is obvious that not even the most progressive constitution or laws in the West will replace real democracy.

Socialism made it possible for the first time to move democracy "from the top to the bottom." The assumption of political power by the working class and the collectivization of the means of production created space for the broadest participation of the working people in the administration and governing of society. It began to be evident that the theoretical precepts of the communists—what already has been talked about by Karl Marx—are not based on utopian ideals, on principles thought up or discovered by one or another "protector of the world."

The substance of socialist democracy is cooperation among the working people under the leadership of the working class, which is the requisite for a systematic, socially aware organization, and for overcoming the consequences of competition among people. These principles were being implemented ever since the first days following the February victory of the working people in Czechoslovakia. The development of democracy was accompanied by the rebirth of the National Front, creation of socialist intelligentsia, socialist cultural revolution, increases in socialist ownership, a transformation

of the village, accomplished with an active participation of the working class, which was expressed by the industrialization of agriculture, solution of the nationalism question, etc.

The transition to a socialist democracy was not simple. We did not avoid serious shortcomings along this road, which in the end were misused by the rightist forces in the society. We did not pay enough attention to manifestations of bureaucratism and paperwork, for example in the work of the national committees and social organizations associated in the National Front. Above all, however, we erred by not understanding democracy as a complex phenomenon which is operative throughout societal life, therefore also in production and in the spiritual sphere. Lenin's concept that socialism makes it possible for those who are oppressed to stand up straight was applied in our society, to be sure, however not so much the fact that we ourselves must take into our hands more and more the entire management of the state, the economy, and the production.

Not only the anticommunist propaganda, but certainly also the remaining notions about Masaryk's bourgeois democracy, as well as the ideas about socialism still distorted in a certain sense in the minds of a number of our fellow citizens—that was a fertile soil for pseudo-democratic opinions in such theoretical frameworks as the theories of "authentic socialism," "democratic socialism," or "socialism with a human face." Those holding such opinions, although they spoke in the same breath about "reviving" socialism to the benefit of the people and in the name of the people, in reality exhibited egotistic postures and pursuit of individual interests.

Unforgettable is Lenin's thesis that only those will prevail and retain power who believe in people and who will immerse themselves in the well-spring of the creative powers of the people. The Communist Party of Czechoslovakia expresses, by its specific program of restructuring, the fundamental interests of the working people. By organically integrating the democratization of society into that program, it makes it clear that its realization is unthinkable without the participation of a greater majority of the working people in creating and implementing this policy. It gives expression to the reality that the working class has to strengthen its position and accomplish its tasks in a much closer linkage with other working people. The present situation in the society demands democratization, while at the same time we must not be attempting to solve problems by yesterday's methods.

The success of the restructuring is contingent on further development of socialist democracy. This is not an utopian idea or an end in itself. Its aim is to free the powers of the working people and direct them to what has to be done. It is a requisite for a further deepening of the linkage of the rights and obligations of the citizen of a socialist society. Through democratization we want to bring into harmony the individual and societal needs and interests, based on

such a value as the creative contributory work for society. Truly, everyone in the population has to learn to administer and begin administering.

The road to the current democratization and restructuring of society was complicated, full of paradoxes, which ensued not only from the existence of a class-divided world, but also from the fact that this road has never been tested. It was accompanied, however, by the generalizing of experiences from other socialist countries. It was proven that even the policies of the communist parties must resemble "algebra rather than mathematics, and even more higher mathematics." (V.I. Lenin)

Part of this road was the defense and enforcement of the leading role of the party, and the leading status of the working class against the anticommunist theories about a "totalitarian dictatorship." It was necessary to overcome the theory of a "new class" of Milovan Djilas, the theory of a "monopolistic socialism" of Kuron and Modzelewski, as well as the defenders of the "socialism with a human face" and others.

The struggle for a creative development of Marxism-Leninism, which takes into account the specific historical situation and other perspectives, fully confirmed that socialism is unthinkable without a systematic organization which demands realistic policies, which means "comprehensiveness," political sensitivity, knowledge of people, art and talent to unite large and small collectives, art of choosing the main elements, correct attitude toward mistakes, ability to overcome and not allow big political mistakes." (V.I. Lenin). That is not possible without the democratization of society.

The road to socialist self-government by the people—and that is the substance of the democratization of society—is not something illusory. It has as its precise goal the requirement that each worker feels that not only is he the master in his own plant, but that he also represents his country. That is why democratization is a comprehensively understood task: it is to create a strong work discipline, new forms of societal relationships among people (where the most effective driving force is the personal example by communists), it is to increase the participation of each worker in creation and the control of the fulfillment of tasks in everyone's consumption and work contribution. The present task of democratization is the struggle against bureaucratism, which grew to such an extent that it put breaks on the forward movement of society. It is the worst barrier between the working people and (soviet) power (I.V. Lenin), because it erects obstacles to their mutual cooperation, mutual understanding, and it restricts the multiplying of the powers of the working people and their activity.

An essential condition of the democratization of society is the realization that the strengthening of rights does not lead to a lack of control, but to a further conscious unification of individual, group, and national interests. But we understand a socialist democracy to be not only

the implementation of rights, but also a harmony of rights and obligations; it does not represent an "autonomous freedom," or a proclaimed "justice," or a uniform "equality" of people, but an attitude of a human being who, by contributing to the progress of society, fulfills the meaning of his life.

Creating conditions for such activism is the essence of communist policy. "In an active, committed participation of citizens in managing and administering society in the interest of further development of socialism, we see a solid base for deepening social democracy," comrade Milos Jakes reminded us at the recent plenum of the Central Committee of the National Front.

## HUNGARY

### Presidential Council Glasnost: First Press Conference on Meeting Held

25000061a Budapest NEPSZABADSAG in Hungarian  
3 Dec 88 p 3

[Article: "National Assembly Convened for 20 December. First Press Conference on the Meeting of the Presidential Council."]

[Text] For the first time in its several decades long history, a press conference was called following Friday's session of the Presidential Council. Also present at the meeting was the President of the Presidential Council, Bruno F. Straub. On hand to offer information about the background of the decisions made by the Council were Minister of Interior Istvan Horvath, Minister of Justice Kalman Kulcsar and State Secretary for Finance Attila Madarasi.

In his opening remarks, Gyula Zentai, head of the Secretariat of the Presidential Council, briefly outlined the decisions that had been made at the meeting. As he told the reporters, the Presidential Council had called a meeting of the National Assembly for 10 am, 20 December. The issues suggested by the Council of Ministers to be placed on the National Assembly's agenda for debate included a draft proposal concerning the modification of the enumeration of ministries; the 1989 budget of the Hungarian People's Republic; draft proposals concerning the levying of income taxes on private individuals, the gift tax, the social insurance fund, vocational training contributions and the vocational training fund, the revision of the Civil Code, foreign investments in Hungary, the rewriting of the constitution, the right of public meeting and the right to assemble.

The Presidential Council also repealed statutory provision No 23/1988, regulating firearms and ammunition. Parliament is expected to pass a new law on the issue.

The law regulating the status of business partnerships that is scheduled to go into effect on 1 January, has made it necessary to revise several existing statutory provisions. Accordingly, the Council has revised two previously adopted provisions concerning the liquidation and registration of businesses.

The Presidential Council has also modified the statutory provision on the trading of treasury notes, and has taken a number of personal actions. It has named Dr. Ferenc Petrik deputy president of the Supreme Court, and—at his own request and with due recognition to his accomplishments—relieved the retiring Istvan Torok from his position as State Secretary for Foreign Trade, effective 31 December.

In a related action, the Presidential Council has appointed Lieutenant Colonel Lajos Krasznai, and National Penal Authority Commander Dr. Laszlo Kun to the rank of major general. Other personal actions effected by the Council included removals and appointments of judges, and the granting of 16 of a total of 106 clemency pleas.

Following future discussions on matters of common concern, the Presidential Council meetings would be regularly followed by a press conference, announced Andras Farago, head of the Parliament's press office. After the announcement, he turned over the podium to the conference's first speaker, Minister of Interior Istvan Horvath. As the minister told the press, in the face of a surprisingly unanimous public rejection, his ministry had been instructed to revise the law on firearms, and to submit a modified version of its vexed portions to parliament in the form of a draft proposal.

The idea of unrestricted ownership of gas-operated and cap guns did not originate from the higher echelons of the police, said Istvan Horvath responding to questions about the background of the issue. At the time the provision had been put into effect, many had felt that the free possession of such weapons would heighten the public's sense of security. Responding to the heated debate that ensued, the law makers have decided to opt for new regulations that better reflect the wishes of the populace. He assured his listeners that parliament would formulate a wise and easy-to-follow new law. The cap-gun duel, he said, could finally come to an end, and according to the rules of duelling, "late shots" were forbidden.

The response to the first question, of course, did not satisfy the those in attendance, hence the minister further explained that the Ministry of Interior still had two provisions in force regulating the possession and use of firearms, including air- and cap guns. Until a new law was passed, he said, these regulations were to be applied.

Kalman Kulcsar spoke about the changes that were being considered in the statutory provision governing the registration of businesses. He stressed that one of the

basic requirements for a new partnership law to be formulated was the establishment of a proper network of registry courts. The government, he said, had already pledged its support in the form of providing necessary resources and manpower. For, as he put it, in addition to registry court judges, there was also a need for economists, bookkeepers, appropriate administration and technology. As he pointed out, the most important preliminary arrangements could be completed by 1 January, but the training of registry court judges recruited by way of open competition would have to begin this month already. One notable novelty will be the publication of CEGKOZLONY [Business Bulletin], an official journal accessible to anyone, which will contain various information about the registered organizations.

Attila Madarasi spoke about the impending simplification of liquidation procedures, and in response to our correspondent's question told his audience that in addition to the interest earning treasury notes currently traded on the Hungarian stock exchange, they were introducing a new form of securities. The new feature of these notes is that their issue will not be tied to certain predetermined conditions; they will instead be advertised, and the customers themselves will dictate the conditions on which they want to purchase them. This will allow the stock to build real market value for itself. According to the plans, the Hungarian National Bank will hold its first auction of such stocks this year, with asking prices starting below the nominal value, and allowing market competition to determine what the notes are really worth.

**Bodor Examines National Concept of Political Left, Right**  
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[Article by journalist Pal Bodor, member of MAGYAR NEMZET editorial staff who often writes under the pseudonym Diurnius: "Nation, Left, Right. While Reading Gyorgy Aczel's Study, Entitled 'Socialism and the Question of Nationhood'"]

[Text] It appears that it is much easier to asses the condition of our economy than the state of our national consciousness and public mood. We are quicker to reach for our pockets, yelling: good Lord, where has our money gone?, than for our hearts, crying: good Lord, what will become of our nation?

Economic developments are measurable and comparable; they have little tolerance (and only on the short run) for self-deception, or for any kind of ideological coercion. Recognized (and unmistakable!) coercion plays a vital role in prompting economic policy changes. The empirical realities sooner or later exert unrelenting and direct pressure on theory and on the system of decisions.

It has become undeniable (inconcealable) that we cannot survive economically by following our old methods. In other words, we cannot—may not and must not—run our economy as before.

Our national self-portrait, however, is more distorted today than the state of our economy.

#### Nation and Economy

For some time, the contradictions and tensions of our national psyche have manifested themselves indirectly, in the form of reinterpretable, reducible, and temporarily dismissable jolts. By nature, their "objectivity" is different. They are to be measured and compared differently. The contents of our national consciousness, the coloration, the direction of movement, the dreariness or richness of these contents cannot be entered into a ledger monthly or every five years, as can a decline in the national income or our balance of trade; nevertheless, they clearly manifest themselves at every serious turning point, change of course or socioeconomic squeeze. It is more difficult to tell when it is undergoing self-cleansing or pain, suppression or awakening, when its self-esteem has been hurt, or what some of the seemingly undefinable and differently interpretable symptoms of good or bad public mood mean than to account for the national wealth. Ideological and political undertakings that superficially treat, arbitrarily exploit, reinterpret or distort the changes in the national mood are even more difficult to eliminate than the metallurgical industry. Still it must be done. For perpetuating them will only result in unpredictably serious—and for the economy also detrimental—moral, political and ideological losses.

On the short run, and on the slippery ground of illusions, ideological voluntarism undoubtedly has a greater and more comfortable latitude of movement within which the subjective and the objective are often intertwined. Under such circumstances the indicators, the speed, the turmoil and alluvia of its various processes are difficult to capture statistically, and hypotheses can temporarily overshadow facts, hope and reality. Our points of view may be haunted by firmly imbedded ideas inherited from past conditions, by outdated sediments of knowledge, and by the (self-justifying?) standards of earlier situations and needs. Whether we are conducting surveys or designing "models" (as in all areas where feelings and emotions must be taken into account), our possibilities of applying rigorous scientific principles are relative. This leaves us open to mistakes, fallacies, abuse and deceit, and even to political quackery. The people of this century, including us Hungarians, have paid dearly for this already. For abuse (or blackmail?) can only be really effective if it involves something that is very dear and precious to us.

#### Not a Tactical Question

National sentiments have been abused by many different political groups, and many good intentions have failed because their proponents have tried to implement them

by acting above, and sometimes without the rest of the nation, treating them merely as tactical moves to be followed from the corner of one's eye. They have forgotten that after the family, the nation is the most lasting, and most home-like community and system of codes that ties everything we have together. They have forgotten that the nation is a more lasting historical category than the class. Had we had a better understanding of our national character and of the processes that effect the national consciousness, perhaps even our economic prognoses would have been more valid; in any case, words would have had more meaning, and these years could have brought more successes. Only a self-confident nation reconciled with and risen above its traumas, and comfortable with its sentiments, truths, interests and goals can hope to successfully undertake badly needed economic (and other than economic) tasks. A nation no longer trapped in a world of self-conceit, defeatism, illusions and caricatures, that is able to face itself and the world with a sober and critical view of itself and its surroundings. Economic renewal requires a more deeply rooted balance ("stabilization" and "recovery") that reinforces its own foundations; it requires a gradual, continuous and healthy "reform" of the national consciousness. We will fall irreversibly behind if stubbornly resisting to change, we refuse to unite as a nation in working toward that end. Not with ephemeral enthusiasm, but with sustained, although perhaps less spectacular persistence. After all, we are a nation not only of conspicuous gestures and grandiose emotions, but also of quiet accomplishments and relentless work.

Becoming competitive is more than just an urgent economic (and thus intellectual and moral) necessity. It is also a matter of survival in terms of its impact on our national consciousness and self-esteem. Overcoming our backwardness presents a challenge of historic dimensions the likes of which we have not had to face since our post-conquest adaptation to the slower world of European existence in the cataclysmic wake of the ideological unification (i.e., Christianity) imposed on us by Saint Stephen's will.

There have been ardent hopes—one could even say, ideological illusions—that the class structure of Hungarian society would undergo an egalitarian transformation. There has been a notion that the "elimination of antagonistic classes and class conflicts" would inevitably and almost automatically entail the ideological unification of society. This misconception and the characteristic mistakes of the system's political adolescence were partially the results of the absolutization of class distinctions among ideals, the underestimation of the relative autonomy and autonomous movement of stratum and group differences and political views; their most important premise, however, has been a blind faith in the rapid attainment of socialism, its unquestionable successes and hence its irresistible appeal.

Although the "elimination of antagonistic class conflicts" increases the chances of creating a more united society, the over-politicization of life, the exertion

of unidirectional and dominating political influence and the predominance of a ruling political power that subjects all spheres to its authority—and which consequently can also be made and held responsible for all this—will naturally increase the chances of a backlash and the possibility of differentiation. The kind of (owing to the absence of established centers) often nervous, irritated, and usually sentimental and emotional backlash that is rather fluid, rejection-oriented, difficult to shape into consistent programs, and because of its hard-to-define character compelled to thrive on the failures, negligence, shortcomings and delays of the prevailing concepts and practices. One can find a unique kind of symmetry here. By nature, the platform of rejection is the strongest where the prevailing concept and practice are the weakest. The platform of rejectionists is made up of criticisms of the prevailing platform.

The sphere of national-ethnic issues is the best example of this.

In terms of its class structure, looking at it from the point of view of classical class theory, Hungarian society would have a very good chance at taking a more unified stand; it must be understood, however, that ideological conversion and having identical views can no longer be made indispensable, mandatory or grantable conditions for this to happen. One peaceful ("forward-looking") alternative would be to debate as we move forth together, and to critically adjust to the facts and regularities that we happen to come upon.

Socialism, which is young even if viewed as a set of ideals, still has not been able to overcome developed capitalism in such areas as productivity, efficiency, technological level, quality, per capita national income, etc. At the same time, its political mechanism still does not contain integrally built-in means that would preclude, or at least significantly lessen the likelihood of arbitrary decisions, power abuse and autocratic rule, and would guarantee democracy. This, too, has been a source of tensions. The reform processes could be viewed as constituting a self-correcting course on which, having thoroughly understood and perfected its own character and possibilities, socialism could assert its potential advantages. We must set out to prove that it is not an end in itself, that it is not the selfish goal of a movement, but that it is a viable means for allowing humanity, and within it the nation, to attain its full potentials.

#### Nation and Party

The strategic hopes and schematized models we have been offered during the past decades have—from above at least—often seemed near, almost within reach. During these periods of illusionary balance, we have been told that we have virtually completed clarifying and defining our national consciousness. As if it were something that had needed nothing more than a little debris, a bit of dirt or haze removed from it here and there. Relative measurability, the fostering and tailoring of illusions to suit

certain ideological fantasies will not yield proper explanations. It is definitely no excuse to say that our vision of a rational future has slowly overshadowed the reality, the present. The phoney ceilings of the structures in place in 1956 were blown open with a tragic and explosive force. Some structures turned out to be made up of nothing more than plaster.

We have not thought every lesson through thoroughly enough, and some we have all but forgotten. The reason, perhaps, is that for a long time our national sentiments have not been subjected to the kind of dramatic and extreme ordeal which as a quick and accurate test would have produced immediate results. We have sensed the neurosis of the public mood, but often we have not even considered it a symptom stemming primarily from the national consciousness. As if our financial, social and work ethic related problems were exclusively pragmatic issues, with little more than an indirect impact on the national psyche. And as if there were even a division of responsibilities here. (i.e., as if social issues belonged to the trade unions, while national issues to the Patriotic People's Front.)

According to the orthodox and not yet extinct dogmatic brand of political thinking and practice, national sentiments are akin to temporary sensitivity, allergy and hay fever. Passing childhood or adolescent diseases. Forgivable, understandable and easy-to-overcome signs of a collective bias. It has minimized the significance of, and reduced to a concern of tertiary importance everything that might have become a main propelling force behind our accomplishments.

What is the basis of this slant, this point of view from which national sentiments appear to be nothing more than tamed, and internationally more or less tolerable versions of nationalism? As if after having grown up, nations were all expected to rise to a higher plain, to some abstract internationalist realm.. When we know that internationalism was never meant to be a dissolving melting pot or acid of national feelings. Those who enter into internationalist alliances do not automatically mix and combine their dowries of peculiarities. And most importantly: they do not destroy those peculiarities. Different partners can still have a meeting of minds over the common denominator of mutual interest (and sometimes mutual selflessness); however they need not switch nations to do so. (Being Garibaldi's Hungarian soldier did not mean being less Hungarian.)

The sectarian view which is so suspicious and frightened of national concerns, and which has almost succeeded in robbing the country of its main cohesive force, has long refrained from openly asserting itself. Its lurking existence can best be detected in what is not being done. In, for example, not allowing our weary youth movement to fill up on natural national feelings, despite knowing that being anxiously and inflexibly led by the hand has always led to more fierce, arrogant and irritated reactions than the freedom to debate. Frustration tends to cause people

to get acutely carried away. In order to form sober value judgments and to live as Hungarians with settled emotions and pride, and without hating anyone, that is to say, in order for one's image of his homeland and Hungarian ethnicity to appear in a positive light against the all-European horizon and background, he should be allowed to express his love for his nation with a natural sense of freedom and without tutelary restrictions, resistance or remorse. Only this kind of an obstinacy-free public mood and mentality can accommodate the foundations of such polemic elements as subjectivity and patience.

### International Left, National Right?

As evidenced by its program, the Communist Party has always presented itself as an internationalist force. Its historical adversary, the right, on the other hand, has always advanced programs that were nationalist by nature. Tempered by its struggle against the white terror and fascism, the party, in the course of organizing its own camp of followers, has viewed nationalism as the main threat to its existence. It had called for a social revolution for only through the socialization of the means of production and the overthrow of the ruling political and economic classes did it consider it possible to solve the main problems of the Hungarian people.

It had excluded from its concept of the nation the former ruling classes, the very groups who theretofore had considered themselves to be the trustees and bearers of national ideals. It was a nation divested of these classes that was referred to by the party as the working people.

Dividing a nation on the basis of class considerations at a time of a radical social change and power transfer appeared to be the "politically moral," and practically unavoidable thing to do, akin to the elimination by the French bourgeoisie of the feudal aristocracy from the political scene.

The "far-right," on the other hand, used "racial-national" arguments to divide the nation. While it claimed to represent the "people," its aim was never to give it a new social order, for it had no intention of turning the means of production over to the people; it used tensions exclusively against those who from the point of view of origin were considered "alien to the nation."

Substituting xenophobic emotions in the place of actual and intensifying social tensions has yielded some political successes in many parts of the world to this day, probably because these emotions have traditions behind them everywhere. And in some places because they can partially overshadow the actual lines of power.

Our post-Trianon country, severed and reduced to ethnic homogeneity with a swift cut of a sharp knife, which had not only "lost" most of the ethnic minorities of historic Hungary, but also had to watch helplessly as a significant portion of its Hungarian population was

taken away and reduced to minority fate, provided fertile ground for many of the preconditions of xenophobia. According to the right-wing policy makers of the time, every misery that came to plague our country during the postwar years was attributable to some ethnic related cause. This was especially strongly emphasized in connection with our territorial losses which proved to be a particularly effective way of fanning xenophobia (as evidenced by such references as "nationalities bent on destroying Saint Stephen's vision of Hungarian statehood.") In the meantime, domestic tensions, unemployment (which was the consequence, among other things, of an inflated work force swollen by the influx of immigrants fleeing from the "successor states" who from the point of view of their social and occupational make-up constituted a unique group) and the lack of tolerance among the affected social strata only increased the possibility of diversion. Most of the nationalities that could be blamed for "betraying the Hungarian statehood" had disappeared from the country, leaving only the Jews as targets whose prominence in several professions was conspicuous, and some of whom—having been caught up in the events of the emancipation and leftist traditions—had played important roles in the Hungarian Commune [Soviet Republic], and later in the leftist movement and literature. Still another segment of them had gained prominent representation in Hungary's small and big business community, which made it convenient for social demagogues to make a distinction between "Hungarian" and "non-Hungarian" capitalism.

Hence to the average person it appeared as if the right represented the nation as a whole, while the left stood for internationalist causes, in the distorted "nonnational" sense of the word. ("The right is the protector of Hungarians from non-Hungarians, whereas the left is willing to ally itself even with non-Hungarians in its quest to oust the national elite.")

To the far left it was clear as daylight that despite, or contrary to the subjective intentions of some of its members, the Hungarian political class, the Hungarian ruling class, was determined "to keep the nation's starving millions in poverty, and to push (as it had in the past) the country to the brink of disaster." Hence it proceeded from the assumption that it would be able to "successfully mobilize the workers" against the policies of nationalism by promoting an antifascist, antiwar (and in essence radically social-change oriented) platform. This, from the point of view of theory, perfectly rational and in itself logical scheme, however, worked far less well in practice. In the Hungary of the interwar years the Communists had failed to muster the support of sizable masses. A good many, if not most of the myriad of reasons behind this were, in some way, connected with the sphere of the national consciousness.

The trauma of Trianon had proved to offer more effective, more passionate and more organic political impetus for nationalism than for the leftist movement which as a

vocal member of the 3rd International was always considered red, rather than red, white and green. And even though it was precisely against the mutilation of the country that the Soviet Republic had been the most effective in mobilizing the forces of its Red Army, this did not stop the Right from asserting that Trianon had been intended, in part, to be a punishment for "red Hungary." Nor did the communists seem to be able to draw thoroughly and carefully thought out conclusions regarding the possibility of adopting a policy which was critical but responsive to national complaints and sentiments. (Here, there and everywhere, including in Romania, Czechoslovakia and Yugoslavia, the parties of the 3rd International had consistently spoken out against the oppression of national minorities, confronting fascism precisely by demanding complete equality of rights; with respect to minority rights, they had all subscribed to Lenin's position which even included the right to secede. However, the emancipation of the minorities, in their view, would occur as part of the emancipation of the proletariat: once the working class was victorious, and once socialism and communism have been attained, then naturally everyone who had been oppressed would be free. The nation-nationality issue, as they saw it, was an integral part of the cause of the proletariat, or as we might put it today: it was subordinated to the policy of pure class orientation.)

The right, for the most part, had succeeded in erasing from the Hungarian consciousness the commune's image as the defender of the nation and homeland, and even to create an image of "nationlessness" about the revolutionary Left. In a defeated, mutilated and despondent Hungary, it was able to present Trianon as the main, and virtually only cause of the country's financial miseries. (the "system successfully indoctrinated broad masses of the socially oppressed with illusions of national grandeur.")

Despite all of the country's anti-Hapsburg national traditions, and the reservations—voiced not only by the right—about the Hitlerite formula for the future, the fate of the country had become increasingly irrevocably intertwined with the only notable opponent of Versailles, the Reich. With the anti-German side of its face kept hidden, Hungarian nationalism joined the only possible ally it could count on in its pursuit of its revisionist ambitions.

By this time little was being heard about what Lenin had said concerning the peace of Trianon. Few knew that he had even said anything about it.

The Communist Party of Hungary was also unappealing to the leading segments of the intelligentsia, and was unable to build the necessary reputation and a "mass basis" for itself even among the ranks of young intellectuals (some of whom remained aloof for class-origin related reasons). Unfortunately, however, it was also unable to find allies in those strata whose social hopes were best expressed in the program of the Marxist

revolutionaries; the nationalism of the radical Right had even managed to displace the active Left as the standard bearer for the socially most oppressed segments of the population.

The ideology of the Hungarian left did not belong among the prevailing ideologies, for it had a weak mass base. "Traditional nationalism had made deep inroads into the ranks of the working class, and had assumed a central place within the value system of the collective consciousness."

It would be a serious mistake to conclude from all of this that the Hungarian nation of that era was a "nationalist nation." In fact, it was no more "nationalistic" than any other nation in the region! Its general mood had been shaped by failures and frustration. Unquestionably, there is a difference between the state of mind of a victorious nation and that of a defeated one. This difference requires careful and thorough analysis. Without it we would hardly be able to understand the history of the evolution of our national consciousness, and the changes it had undergone in this century. Wounds on a nation's body impact differently on the soul than does the feeling of satiety.

No matter how progressive, noble and country-building an idea may be, it can only be victorious to the extent it is able to win the support of the masses. In order for the Hungarian people to espouse socialism with all of its energy, passion and dedication, it must be convinced that the most certain road to national survival and advancement is indeed the socialist way. If there is one thing that Hungarians have always made a point of putting before anything else to this day, it is making sacrifices, standing steadfastly by and competing for, however strong the adversary may be, their nation. If national feelings could become one with the principles of socialism, a new social system could emerge that could realize the highest level of its inherent potentials.

Without this, consensus is nothing more than acquiescence, and in the case of many, it means only suffering and "nonresistance." Yet what Hungary needs today is a more active kind of consensus that spurs people to take action.

#### Analysis of the Past and the Unity of Today

We need, therefore, to more openly analyze the past and the present. We need to explore every subjective and objective barrier to national collaboration. We need to call the kid by his name, even the ill-bred child who had never been christened, or whose name was not proper to say aloud in public. We need to take all suppressed emotions into account. Particularly those which may lead to further excesses. We must be able to nurture the patriotic and national sentiments of the Hungarian people so that they will be shielded from all hatred, not only

because we have learned, and learned the hard way, that every manifestation of hatred will eventually backfire, but also because we know that hatred disintegrates, besmirches and deprives.

In order, however, to prevent the healthy cleansing of the Hungarian national consciousness from being interrupted, what is more, to ensure that it continues, we cannot state the full truth half-heartedly.

No honest analysis of the 1956 events can avoid addressing the role of national sentiments. When speaking about the thoroughly appalling violations of the law, the tyranny, the antidemocratic practices and the cult of personality, we should never forget that the broadest contact surface to have clashed with these distortions, to have been wounded by them, and to have been primarily responsible for creating a general sense of malaise, had been comprised mostly of national sentiments and feelings.

In talking about the enormous social shock of 1956 many have said that it had actually "started out as a fervent reform movement the primary aims of which were directed neither against the social system, nor against the foundations of socialism." Owing to the inflexibility and high-handedness of the political leadership, to its fatally flawed assessment of the existing power relations, the public mood and the general situation, and to its isolation from the masses, however, this "fervent reform movement had turned into a violent movement," which subsequently would (among other things, because the political leadership of the times had arbitrarily identified itself with the concept of socialism) mobilize the antisocialist forces, and amplify their leading role. What had filled the movement with a predominantly sentimental and emotional charge were national sentiments and dignity that had been mortally offended by the crimes and mistakes of the leadership in power.

#### Crisis and Nationalism

Not only in Hungary, but virtually in every region of the world, the factor that in the past few decades has played a more important role in sparking off acute crises or conflicts than economic hardship, fluctuating living standards and violations of the law, has been national sentiments. Or to be more precise, the principle of national independence and pride, or its violation. And, of course, the long series of outdated, anachronistic and belated phenomena that have been haunting the national consciousness of Central and East European nations.

In those areas where the leadership had failed to recognize that it was the concept of the nation around which everything else revolved in this country, sooner or later the mistakes that had been made and the difficulties that had resulted in a given sphere of our political, social, economic or intellectual life would result in enormous tensions. The communists had proceeded from the assumption that their goals "coincided with the main

interests of the nation." They had assumed that international cooperation, or internationalism, represented by the party was not only not contrary to, but was actually instrumental in asserting the national interest. They had called for a "relentless struggle against nationalism, which has been the ideological, theoretical and emotional hinterland, and virtual reserve, of fascism everywhere"—even though there had been plenty of examples of antifascist nationalism.

Instead of someone taking a detailed and differentiated look at its causes, however, nationalism has been subjected to a (by the antecedents often justified) bitter and comprehensive kind of denunciatory rejection, even though (in terms of its sources, definitions, contents and orientations) it has (never) been anywhere close to being unified. The rightist trends, on the other hand, had been able to claim credit for, and often even to assimilate, positively charged patriotic behaviors, just as the Left's attitude of global rejection had scorned and distorted many, originally constructive manifestations of patriotic behavior. On the multicolored scale of nationalism there have always been shades that one could separate from the group platform of the opponents of socialism. Their hallmark has been a passionate, and hence often narrow-minded love for this country only, without advocating hatred for others. It has become particularly important to take a detailed and differentiated approach to sorting out various behaviors that so far have been superficially grouped together and labelled (branded) as nationalist at a historical moment when we need to bring together, on the broadest possible denominator, every force that truly has the nation's interests at heart.

We need, therefore, to take a thorough and differentiated look at the relationship between national sentiments and nationalism, and must supplant the constructive conclusions we draw to the realm of day-to-day politics. The few things that have been done in this area have barely been able to transcend the scope of narrow professional forums. No significant political effort has been made to ensure that the conclusions reaped so far also imbue our general awareness. For a long time, analyses of certain, more sensitive issues—of external dimensions and pertaining to conditions beyond our frontiers, for example—have continued to be done with some reluctance, just as attempts at taking a broader and more value-oriented approach to the assessment of national values and traditions have not been accompanied by a more thorough, and therefore change-monitoring assessment of Hungarian (and not just Hungarian) nationalism. Traditional suspicions have only hindered attempts to break down this conglomerate of consciousness-related phenomena that have been globally labelled as nationalist, and to separately examine its different nuances. They have also hindered efforts, therefore, to treat nationalism ("the people's front of nationalism") which global rejection has practically forced to solidify, and nationalists (or "so called" or "factitious" nationalists) separately, according to how they relate to the genuine values of our country and nation.

No nation has ever been able to muster support for itself just by (or predominantly by) building a wall around itself. And fighting a 2-front war (against nationalism and cosmopolitanism) is primarily that: building walls. No one's heart is going to jump with excitement from the thought of where not to belong. Fighting a "2-front war" may be politically moral, but in itself it is not enough to create national unity; after all, building walls does not sound really inviting to anyone, and it cannot be used as a slogan to recruit and mobilize. "Join me everyone who wants to fight nationalism and cosmopolitanism at the same time!"—who in his right mind could hope to rally most of the nation behind him with such a call?

Join me everyone who wants to serve the nation! This should be the essence of a rallying call; first, of course, we need to lend it credibility. And the assembled masses will need a leadership that can prevent nationalism, cosmopolitanism or any other view which waving the banner of internationalism ignores national issues, and by doing so damages the very credibility of internationalism, from gaining ground.

#### National Sentiments, National Unity and Reform

I do not know whether we have truly reliable data about the stratification of Hungarian public opinion today; more specifically, about the direction of, and the extent to which public opinion has changed over the past 5 years, and about what kind and how large of a base of active supporters it can count on among workers, university students, agricultural employees and the members of the technical and classical intelligentsia. Even if there are such data, however, presumably they could hardly be used to show what role the way the economic situation, the standard of living and other vital issues affecting the nation have been "handled" have played in such potential changes. There can be no doubt, however, that the reform process cannot succeed without the backing of a more active and broad-based camp of supporters that truly encompasses the majority of the nation.

This, however, also requires introspection on the part of the nation and the party.

We must confront the fact that in the eyes of many, 1956 was an explosive culmination of tensions that had stemmed from the crisis-ridden relationship between the nation and the party. It appears certain that the perception of large segments of the populace of that relationship had been decisively affected by national causes; contributing to this sentiment were all the things that many had considered humiliating from the point of view of national sovereignty (and as we know today this perception had been fueled probably by more than just procedural and formal mistakes), but also everything else that had led people to question the legitimacy of the leadership in power.

In light of the current state of our national consciousness and of the factors that influence it, the most profound lessons of 1956 must not only be defined—and defined with unquestionable honesty—but must also be adhered to in the interest of a new and active national unity.

The current, much too partial cleansing process has been further beset by belated reactions, which, of course, means not only that often the responses to questions from the public have come at large "intervals"—and even then in an overly cautious and noncommittal form—but also that as a consequence of these delays the same questions may have given rise to several alternate responses. Responses which—never having to have taken certain (for example, international) restrictions into account, never having been compelled to be consistent with various party and state-policy considerations; and never having agreed to assuming the burden of stating the sometimes unpopular truth—have often become ingrained in the public consciousness for much longer than the belated, calm, carefully considered "official" responses that have seldom made any allowances for emotions.

The belatedness and partial nature of these official responses have often caused irritation and led to unfulfilled expectations. Especially since not only the actual responses have come late but—and this is even more important—the required domestic and foreign policy steps as well. (If they ever get to be addressed at all.)

#### The Intellectual Power of Taking the Initiative

It appears that the leadership has lost its initiative a bit too often. This despite the fact that for the most part its leading role depends on the extent to which the intellectual power of political initiatives can assert itself.

Often, because of their partial nature, paltering and inertness, efforts to clarify the past have appeared to be really nothing more than a series of reluctant and involuntary concessions. This has been evident from the way such issues as the fate of Hungarians living beyond our borders, "the geographic boundaries of the national concept," and certain national values and symbols have been handled. Also contributing to this perception have been various objective—and not so objective—causes, including (sometimes justified, and at other times merely fossilized) ideological reservations, alliance related obligations that have been sometimes necessarily strictly, and at other times too narrow-mindedly interpreted, and the often inflexibly automatic categorization of certain issues and subjects as manifestations of nationalist thinking. While in the course of the past decades other concepts—including that of socialism itself, as well as the definitions of democracy, internationalism and alliance policy—have been reshaped and enriched with new meanings to reflect various global and domestic changes, redefined goals and revised means, somehow the concept of nationalism has become rigidly stymied at some level of our political terminology and

practice owing to interpretations based on long bygone situations and needs. What we have been left with is a globalized pigeonhole of an ideological bogey, a dangerous political epidemic, the utility of which has been limited to triggering the quarantine reflex and setting off warning alarms.

Never for a moment must we forget about the dangers, about the growing influence in so many parts of the world of conservative and right-wing forces, the intertwining of extreme right-wing radicalism with nationalism, the role which certain nationalist and fundamentalist forces are playing in the promotion of aggressive militarist tendencies and terrorism, or about the use of nationalism as a means of diversion, the ideology of dictatorships, the fomenter and orchestrator of antiminority sentiments. At the same time we must recognize that nationalism is an extremely significant and complex ideological and emotional trend which is filled with contradictions, and which asserts itself along a wide spectrum of nuances; it is a trend which cannot, and must not be perceived only from the point of view of a common denominator.

At times the nationalist label has been put even on legitimate, justified and defensive aspirations and behaviors. For a long time, the need for a harmonic relationship between patriotism and proletarian internationalism was only formally expressed; "in the political practice of the 1940's and 1950's, and sometimes even later, the national character of patriotism was allowed to assert itself only in a very fragmented, contained and restrained way, and in reality the goals of internationalism were not only not intertwined with or aimed at strengthening patriotism, but were automatically placed above it.

During the immediate postwar years, we could justifiably hope that inasmuch as the people's rule succeeded to consolidate itself in the neighboring countries, the troubles and suffering of Hungarians living beyond our borders would also be resolved. In other words, we had hoped that the spreading of socialism would naturally highlight the diminishing appropriateness of majority or minority-inspired nationalism. Actually—contrary to the Leninist concept—majority and minority-inspired nationalism proved to be equally dangerous during this period. The official position failed to realize that nationalism, regardless of its form, was as dangerous as the means of power it is able to mobilize. There was no real distinction made between defensive or self-defensive, and offensive or aggressive types of nationalism. The official view also failed to recognize that minorities did not necessarily respond to the (perhaps institutionalized and state-sponsored) nationalism of the majority "according to theory," and that their position at any given time was determined by the strength of their defenses. (At the same time, the official forums also refused to notice that in certain countries the Hungarian minorities were still viewed by the majority nationalists as the trustees and flag-bearers of territorial revisionism; this was the real source of their irritated suspicions.)

### The Hungarian Minorities

For the most part, Romania's Hungarian population, for example—sizeable segments of which had steadily drifted toward the left, having become radicalized by the ethnic repression of the interwar years, which after WWII were protected by Soviet-imposed measures in Northern Transylvania against the bloody excesses of the extremist majority nationalism, and which had not only been promised complete equality by the Left but had actually seen it start living up to its earlier promises by implementing a whole series of institution-building and supporting measures—turned with trust to the democratic bloc of the Left, for after the reestablishment of the Trianon borders these forces offered the only hope for a more humane and proper ethnic existence.

When the Hungarians of one or another neighboring country were subjected to ethnic prejudice, raising the problem in Hungary was considered nationalism. The Hungarian party and state leadership took the position that it was the duty of Hungarian communists to fight against Hungarian nationalism. Which, of course, is correct, provided that the defense and self-defense of legitimate Hungarian national and nationality interests is not considered nationalism, and that parallel with the efforts of their Hungarian comrades the communists and communist parties of the majority nations wage similarly consistent battles against "their own nationalism." Only under the conditions of an ideologically consistent and bold ethnic policy can any nationality or national minority be fairly expected to struggle effectively against "its own nationalism."

In the mid-1980's, both on the international level and in domestic public life, the party and the Hungarian state gradually reassessed its position on the nationality issue, including its approach to addressing phenomena that painfully impact on the fate of Hungarians living beyond our borders. As a result, Hungarian and international public opinion now has a clearer understanding of the extent to which it considers the situation of the minorities an internal affair, and the issues which it insists are not only internal affairs (but—among other things—also external affairs!). It has been made clear to everyone concerned that our country feels a natural—one could say compelling—responsibility for our kin abroad, and that it is in the historical interest of everyone affected, the majority nations as well as their nationalities, every country, to see to it that the nationalities are allowed to live freely without having to abandon their ethnic identity. "Significant segments of the Hungarian public opinion, however, would like to see the party and state leadership taking an even firmer stand on this issue; this demand and the undeniable reasons behind it cannot be ignored.

### Nationalism and National Sentiment

Many essentially antipeople and antination regimes have used and abused national sentiments for the purpose of preserving their own power. This appears to have caused many of those sentiments to be compromised. This is one of the reasons why the Hungarian Left has been traditionally—and often too inflexibly—cautious and provisory in its attitude toward political tessituras of a national nature and character. By doing so, however, it can deprive itself of society's greatest driving force.

To be national while rejecting nationalism, to passionately love one's nation without hating other nations; this is the kind of program that appears to be the most natural under socialism. Only by accepting the national, and by "living it" consistently, freely, healthily, and naturally both in body and soul can the division, the political neuroses and hypochondria of Hungarian public opinion be overcome. And not just out of tactical considerations, but spurred by the recognition that it is in the interest of the success of socialism and the nation, and that it can only be accomplished by mobilizing the entire nation.

The left gladly espouses enlightened traditions. It likes to inform on the basis of rational principles, and to explore relations of cause and effect. The problem is that the internal mechanisms of individuals and groups cannot be compared with that of a vending machine that starts operating upon the insertion of the appropriate (and not counterfeit) coin; in other words, even the most convincing explanations of reason can be ineffective when rendered to questions that are essentially emotional in nature.

The "correct, incorrect," "justified, unjustified," and "this origin, that character" type of reasoning may be important and unavoidable for a scientist (or a politician), but it does not necessarily have the desired effect on deep-seated political sentiments. Already evolved emotions tend to become detached from their origins and causes. Perhaps many of the arguments used in the millennial era would no longer affect most people today, but the emotional consequences of those arguments live on. Although it would appear logical to try to counter false images by analyzing their sources, this rational approach would yield only very limited results. While it is correct and also necessary to expose the causes of all prejudices, this will hardly help to eliminate prejudice itself. We may publish the wisest and most objective studies about the historical, social, economic and group-psychological reasons of a given form of group prejudice—and it is, of course, very important to have such studies appear—this may not prevent prejudice from continuing to exist.

This is why using exclusively empirical tactics, right-wing political organizations that thrive on emotions, feelings and prejudices can score quick successes. (The French neo-Fascist can always seize on the political

reactions of the given moment. They are never bothered by their own contradictory messages because they know that individuals can also quickly contradict themselves, and they just continue to live with those contradictions. Christian humanism and bloody xenophobia, charity and the cult of violence, the Catholic definition of the sacrosanctness of the family and sex, the fervor of French national grandeur and the maintenance of good relations with German and other grand-national, and similarly aggressive groups, political conservatism and avantgardism—all these trends can perfectly coexist within their concept of the world.)

### The Burdens of Political Continuity

The "consistent left," however, looking at it from a historical retrospect, is now forced to confront its own inconsistencies. One of the concomitant requirements of ensuring continuity is assuming continued responsibility for one's mistakes, errors and sins. Even if it engages in principled and honest self-analysis and criticism a hundred times, and even if it tries to sharply distance itself from its past representatives and practices, it will continue to have to carry the effects and memories of those mistakes as a political burden. This not only holds true for left-wing parties of 1-party systems. Even the most honest—even merciless!—self-criticism cannot erase the memory and effect of past mistakes.

It should not be surprising then that significant segments of our public opinion see the "legal predecessors" of the MSZMP, and the MSZMP itself primarily as an internationalist party that is opposed to nationalism. The party's approach to national slogans and national sentiments has been cautious and filled with almost principled reservations, even when deep down it agreed with them, and when politically it could have really used them. Contributing to these reservations have been the right-wing connections, traditions and exploitation of national slogans and sentiments, the suspicions and fear that have surrounded them both here and abroad, various considerations of our alliance policy, but also the tragic examples of parties that have espoused national slogans without reservations, and having acquired a temporary mass base are drifting almost unstoppably toward the deviant course of ultra-extremist and aggressive nationalism.

How to become a national party, a party of all genuine national feelings, without drifting in the direction of hateful nationalism—this is the question here.

This is not an impossible question to answer.

But to answer it, it must be understood that to a Hungarian—even to a leftist Hungarian—the Hungarian cause is of paramount importance. He would like to be proud of being a Hungarian. And if there is political neurosis in Hungary today, it is because many Hungarians may not feel that they have many reasons to be proud of their Hungarian heritage. This feeling may be

explained by the decline of the economy, the state of public education, the quality of our economic, intellectual and sports accomplishments, the tragic problems Hungarians living beyond our borders, and so on. The reverse, of course, is also true—this is why the situation is so serious. Public neurosis also affects our accomplishments!

The circle must be broken somewhere.

#### Directions, Characteristics of Foreign Policy

##### Analyzed

25000067c Budapest KEPES 7 in Hungarian  
19 Nov pp 10-12

[Interview with Jozsef Gyorke, deputy head MSZMP Central Committee (CC) Foreign Affairs Committee, by Andras Mezei: "Gyorke in America—What Lends Character to Hungarian Foreign Policy?"; first paragraph is KEPES 7 introduction]

[Text] Jozsef Gyorke is a 46-year-old father with three children. He served at the Ministry of Foreign Affairs for 14 years. Of these he spent "7 lean years" in Nyerere's Tanzania, Emperor Haile Selassie's Ethiopia, and in Mozambique as a member of Hungary's diplomatic corps. He speaks Swahili. He has published articles and studies concerning the problems of the third world and of the so-called crisis belt: Latin America.

[KEPES 7] Jozsef Gyorke was invited to take a study tour of the United States. The trip lasted more than a month. What are the things he noticed in America? What impressions does a functionary gain abroad?

[GYORKE] Perhaps, insofar as I am concerned, I would prefer to use the term "party worker." It expresses the fact that irrespective of whether a person serves as a village party secretary or as the secretary of the CC, he is destined to work in the interest of the party. I deal with foreign policy—I see and experience many things. So then, answering your question, my greatest surprise in the United States was the mentality of Americans. The fact that from the deputy secretary on down to the man on the street I was able to meet many Americans convinces me again and again that Americans are open and friendly to foreigners. Openness is practiced already at school. Perhaps the average American has no reservations whatsoever. The United States is indeed the melting pot of nations. On the basis of all this I found it natural that Americans have no prejudice. Along with this fresh experience which appeared new perhaps only to me, I also discovered that the average American is rather uninformed regarding world affairs. He really does not want to know about much more than his own town, perhaps he is not even interested in what goes on in the world. I virtually got lost in the avalanche of local news. I was barely able to find world news—the kind that makes headlines in Hungary—in the huge, thick bundles

of newspapers. And so that nothing should come about the way I expected it, I was shocked to learn about the great and strong feelings Americans hold for their local community.

[KEPES 7] Man does not eat man?!

[GYORKE] I was in San Francisco when the city council called upon the people to help remove the accumulated trash from the beach. The greatest variety of citizens responded by the thousands. I witnessed the speed by which they organized plastic bag distribution and deposit centers, as well as volunteer tea stations. I have no idea what kind of "individualism" made them move, but I did get the impression that it matters to them whether the beach is clean, and the kind of statues they erect in public places. They make it their business that someone plans to build a beltway around the city. If their ideas differ from those of the authorities, they place the issue on public referendum. This favorable community spirit shocked me because we were brought up to believe that such spirit is characteristic only of socialist societies.

[KEPES 7] What does the average American know about us?

[GYORKE] Most recently the words "glasnost" and "perestroyka." But the meaning of these terms only conveys to them something good, something favorable. The majority really does not understand, it only feels that the picture is changing in Eastern Europe. That certain "enemy image" is changing, the destruction of which is our most urgent common task, according to Gorbachev. This is so, because while the open and well intended Americans have only simplified and propagandized knowledge about communism, we must recognize that we too have heaped up all kinds of things about imperialism.

[KEPES 7] Would not the destruction of our mutual enemy images produce a similar error of naivete in regards to recognizing our mutual images?

[GYORKE] It is possible, but somehow that represents a different trend. It is a brand new recognition; we all know that there can be no third world war after the two we already had. We must coexist. This commonplace word is the most realistic reality of the world.

[KEPES 7] "Destruction of the enemy image?" Did I hear you well? A program?

[GYORKE] Yes, that's what it is. In the course of my trip to America my hosts in San Francisco took me to the organization Karoly Grosz addressed not too long ago. It was apparent that Americans were pleasantly surprised by the fact that the Hungarian head of state did not confine his visit to Washington. And he did visit New York only. They were surprised that he visited the other coast, California, a state whose gross national product ranks seventh among all countries in the world. Personal

meetings of this nature go a long way to destroy the "enemy image," not to mention the possibility that such visits awaken the interest of American capitalists to find investment opportunities, in establishing joint enterprises. If they become familiar with the internal conditions which come about as a result of the Hungarian Law concerning Business Organization—the kind foreign capital has been waiting for so long.

[KEPES 7] But what's it worth if the American entrepreneur does not recognize us as an enemy, but at the same time "he is not an enemy of his own money" either?

[GYORKE] Hungarian diplomacy must assist the Hungarian economy.

[KEPES 7] The Hungarian economy, however, makes diplomatic work more difficult. Would the Law concerning Business Organizations be the miracle cure?

[GYORKE] Neither did our executive secretary say that it was a miracle cure. He did not believe that instantly a line of foreign investors would form, on the other hand, Hungarian diplomacy should not be narrowed down to become the diplomatic apparatus either for foreign affairs or for the party, after all, the CC and the government leaders too are diplomats of Hungary. During his trip to America Karoly Grosz conveyed in a rather sensitive fashion the legitimate possibility, the legal conditions for capital influx, and the policy of openness.

[KEPES 7] How much of this did you see reflected in America?

[GYORKE] I recognized the fact that our country has dignity. They value highly the fact that the new leadership initiated radical reform. The fact that reform goes hand in hand with reforming the political institutional system. The American people are very pragmatic, they judge others on the basis of determined action, and of the results of such action. This is why we have no other path to travel.

[KEPES 7] What lends character to Hungarian foreign policy?

[GYORKE] A certain kind of "people's" diplomacy—if, and insofar as civil society acquires a significant role in public life. I cannot come up with a better definition at the moment. The associations, the cooperatives, the joint and individual enterprises, everything that comes with individual and collective tourism; cultural and individual contacts too establish their own people's diplomacy. This is so if we listen to what the man on the street has to say. If we have ears, that is. What comes to his mind? What kinds of initiatives are launched, what's their "message"?

[KEPES 7] For instance?

[GYORKE] People's diplomacy is alive and expresses itself at the Austrian border, in the ideal of a duty free zone to be established in Sopron. I could mention the assertions of Austrian and Hungarian naturalists on both sides of the border. One could hardly accuse these of being government inspired demonstrations, meetings or protests. By now we have reached the point that we exist in a multitude of partial interests, and within that we are obligated to discover and to represent the interests of the nation as a whole even if we must bear protests which emanate from partial interests. Even if in regards to one or another issue we view the interest of the nation as a whole in a different manner than does people's diplomacy. "Let us not compete with North Korea, instead, let us compete with South Korea." This was stated recently at pro reform lectures organized by KISZ. This should make us understand that youth would like to encourage businesses and the political leadership to recognize the results of the South Korean technical culture. The reality of the world. This statement was not directed against North Korea, it does not degrade the North Koreans. Instead the statement holds that this reality too must appear as part of Hungarian foreign policy. Or, should we say, did this not take place when we announced that we would exchange offices at the consular level with South Korea? Another example: one cannot but pay attention to the significance of Alps-Adriatic initiatives. What kind of foreign policy would we have if it failed to notice the initiative of the inhabitants of the Austrian, Yugoslav, Italian, Bavarian and Hungarian geographical areas wedged into the relief of the Alps and of the Adriatic? Our diplomacy must become even more representative of the nation as a whole by listening to the people's diplomacy. We are dealing here with a quality of being colorful, which accompanies the stratification of society. I also have in mind the initiatives of the alternative groups—there too the interests of society emerge in a determined manner, in sharp focus. The stratification of values must also be taken into consideration in terms of foreign policy.

[KEPES 7] But what forum would handle this?

[GYORKE] In my view, the National Assembly—along with the party and state forums—must become the forum to represent the grass roots influence on the formulation of foreign policy. Thus far the National Assembly's role in regards to foreign policy was more of formality.

[KEPES 7] The name "Gyorke" is attached to a hero of Aron Tamasi's most popular novel. Gyorke is the one who links heights and depths, in other words, he casts himself into the depths of matters. Would you be willing to cast yourself into the depths of the human rights of Hungarians in Transylvania even in the context of the events produced by Hungarian people's diplomacy which was exercised in the interest of Hungarians in Transylvania?

[GYORKE] Doubtless, you are correct in saying that that memorable silent march, the procession with torches, and the multitude of spontaneous actions represent one of the strongest manifestations of what we call people's diplomacy. Official Hungarian diplomacy must take note of it, even if the people's diplomacy was not initiated by official Hungarian diplomacy, even if official Hungarian diplomacy does not view this as the most appropriate method—they must take note of it. And they must also recognize that Hungarian people's diplomacy made its impact at the international level by virtue of the fact that the Romanian party protested the matter. The Romanian leadership tried to portray these events as if they had been inspired officially by the Hungarian state.

[KEPES 7] Was there no blinking of the eyes at all?

[GYORKE] I will repeat: we do not view these methods as useful, on the other hand we do not view ourselves as infallible either. We do not think that we know everything, and for this reason we do not feel that we would have the right to silence the expression of various interests. We cannot permit ourselves not to allow the representation of burning issues which preoccupy the Hungarian masses. The new leadership elected at the May party conference is rather sensitive to such matters. But they are sensitive also with respect to reacting to every initiative that originates in Romania, because not only is it true that there were no spontaneous mass movements in Hungary earlier, but there were not even any negotiations at the highest level between Hungary and Romania, or Romania and Hungary, since 1977. One must negotiate. In this respect the new leadership and Karoly Grosz must represent the interest of the nation as a whole at the diplomatic level, even if it becomes necessary to act contrary to the subjective manifestations of understandable emotions through people's diplomacy. This is foreign affairs work. It is the business of the two parties. Because I am convinced that whenever there are concerns, one must negotiate.

[KEPES 7] A nation stopped breathing: did Karoly Grosz travel to Arad to become a victim, a martyr?

[GYORKE] The nation's concern is understandable. Karoly Grosz' intention is also clear: he wanted to transcend the earlier practice of Hungarian foreign policy toward Romania when he instantly reacted to the Romanian suggestion. There were some who felt that it was wrong to address the head of the Romanian Communist Party as "comrade," nevertheless actions remain to be evaluated after the heated emotions have cooled down. The fact is that both in the East and in the West the Hungarian preparedness to negotiate was valued highly. The impatience is understandable, but in such cases the first phase of professional diplomacy is spent with the relaxation of tensions. This much should be granted to diplomacy. Just as it is granted that some express their disappointment after a meeting which fostered greater expectations. It was granted.

[KEPES 7] As long as we are at this subject: according to you there are people in the opposition who are not enemies. But if they are indeed not enemies, as you have said, they should understand that the two great powers intend to reach an agreement with each other, and that the two great powers do not want to see centers of crisis. How do you interpret this?

[GYORKE] The reality. The facts which, in my judgment should be taken into consideration by the opposition, if indeed the opposition plays the game of politics correctly. The leaders of the United States welcomed our preparedness to negotiate concerning our most severe crisis center. This much confidence should be granted to Hungarian foreign policy. And a bit less domestic impatience.

[KEPES 7] Does this contain a threat?

[GYORKE] That is out of question. It is a greater mistake if a phenomenon remains concealed as if such phenomenon offends a politician or politics. The implementation of unified and deep-rooted economic and political reform was meant to take place in this spirit. The turnaround which occurred at the party conference so indicates. Be patient with impatience! I admit: tolerance is not a characteristic of the weak.

[KEPES 7] I, too, am impatient.

[GYORKE] So, I will tell you too: consider the fact that this leadership has been at the helm for only five months. You must have a bit more patience if you hold them accountable to matters for which the governments of the past 10 or 15 years should have been held accountable.

[KEPES 7] What constitutes the "art" of foreign policy?

[GYORKE] The art of foreign policy is to express internal differences in terms of foreign policy in a manner so that such expressions enforce the interests of the nation as a whole.

[KEPES 7] What is the "interest of the nation as a whole," what is the reality of an independent Hungarian foreign policy?

[GYORKE] As Gorbachev's policies gain ground, the individual profile of Hungarian foreign policy will emerge in an increasingly pronounced manner.

[KEPES 7] In other words: will we be able to "return to Europe?"

[GYORKE] We could not be torn out of Europe even during the coldest Cold War. Almost half of our foreign trade represented transactions with Western Europe even in those days. It is not us who tore apart Europe. The hostile relationship between the two great powers accomplished that. The cooling off did not come about exclusively as a result of societal endeavors—meaning

that the "little fish," too—the small countries—froze within either the American or the Soviet aquariums. We are Europe. We "only" have to return to being ourselves. This is what society demands.

[KEPES 7] Many ask: what's going on here? What does the removal of ideology from relationships mean in terms of foreign policy?

[GYORKE] It means that as a primary matter we do not maintain relationships on the basis of ideology. It means that we want to negotiate not only if our principles are in agreement, but also if they are not. If there are concerns. We must negotiate even if we do not embrace each other, or, should we say, in such instances we should negotiate even more so. With Israel, with South Korea, with Romania. The Gorbachev recognition of the removal of ideology from foreign relations materializes in the relationship between the two great powers, among other matters in the framework of assuming responsibility for the fate of humanity, for avoiding nuclear war.

[KEPES 7] But what does the removal of ideology mean in terms of relationships between socialist countries? Is the idea valid in that context?

[GYORKE] It is valid, insofar as relationships between socialist countries too must be established by starting out from national interests, but on the basis of principle.

[KEPES 7] What would friendly Korea say to that? Would it view our diplomatic activities with "not friendly" South Korea as an unfriendly gesture?

[GYORKE] Our North Korean friends are accusing us of having betrayed internationalism. I feel that at this point I should inject a historical point. There was a period in the international communist and workers movement when internationalism was measured by the relationship vis-a-vis the Soviet Union. Are we witnessing a new yard stick by which to measure?! In our humble judgment this accusation expresses their national interest, and not internationalism. We have not betrayed internationalism. We are establishing a relationship with South Korea in our national interest, just as the relations we established with Israel would not weaken our efforts in the interest of the Palestinian people. They are strengthening those efforts.

[KEPES 7] Here, within the "Soviet Bloc," is it possible for Hungary to conduct an independent foreign policy, irrespective of all the changes in favorable directions that took place?

[GYORKE] The Soviet Union has toppled barriers. Foster parenthood has ceased to exist.

[KEPES 7] Would we relax our relations with socialist countries?

[GYORKE] These relationships become more real and more intensive by virtue of the independence of our foreign policy.

[KEPES 7] Small country, large scale diplomacy? Hungary represents a rather small market. Her size could be compared to someone getting stuck in the foyer of a house.

[GYORKE] A foyer, from which—and you should add this—there is a pass-through entrance into a rather big house. This is no secret. Capitalist enterprises do not hide the fact that with their investments in Hungary they are seeking a pass-through, i.e. an entrance to the Soviet, and in general, to the socialist marketplace.

[KEPES 7] Nowhere do we find a door knob, a door frame or a door. All around we find only the bare walls.

[GYORKE] A unified Western Europe to come about after 1992 represents the greatest challenge to Hungarian foreign policy. The 320 million bloc of people of the Common Market countries. The free flow of the labor force, of money, goods and services. The fact that beginning in 1992 the bipolarized feature of the world will further weaken, particularly as a result of the unification of Western Europe. Just think: Will this not weaken the often depressingly strong influence of the United States on Western Europe? Will this not represent the strength of a new bloc also vis-a-vis the East? Would you not think that our agreement with the Common Market is not already an orientation toward this reality of the near future? To a reality of which, true, we do not know an awful lot in advance: how will things be after 1992? But one thing we can be certain of: Europe is the continent of small and medium sized countries. Hungary, too, is a small country.

[KEPES 7] The foster parenthood has ceased to exist, long live foster parenthood?

[GYORKE] What do you mean?

[KEPES 7] How do the two "great ones" interpret the fact that they do not want to see crisis centers in the world?

[GYORKE] In the United States there are almost 12 million citizens of Polish origin. It is my impression that U.S. foreign policy is intent on including as part of its negotiations with the Soviet Union the crisis problems of Poland, Yugoslavia and Hungary. This is so, because it is not in the interest of the United States to witness explosion like changes in the European balance of powers.

[KEPES 7] In that case Soviet policies cannot serve as an obstacle for the United States to extend most favored nation status to all Eastern European countries, at least for five year periods at a time.

[GYORKE] The idea of such obstacle does not even occur, so far as I know.

[KEPES 7] As long as we are gravitating to that other Europe, what does the "return to Europe" mean?

[GYORKE] It does not mean a change in course. It may mean the construction of "Gorbachev's common house," the house whose construction did not begin in this century, but gained foundations in Hungary as well as in Russia with the adoption of Christianity. One that is common, and which took shape in a culture exerting mutual effect. And insofar as our European belonging is concerned, it was never a matter of doubt that the foster parent, the paternalistic influence was the sole reason for our and other small nations' inability to enforce our national interests to a sufficient degree. Hungarian foreign policy would be greatly mistaken if it failed to recognize the exceptional moment of today, in which our good relations with almost every one of our neighbors and with the great powers offers a historic opportunity, a kind of opportunity never before offered to Hungary in the course of history. We must accept this favorable challenge with clever diplomacy and with courageous conceptions.

[KEPES 7] On the border of the European "common house"? How?

[GYORKE] Europe reaches to the Ural Mountains, and it has swinging doors throughout. We must do everything so that both houses can be joined together by opening the doors. We have played many roles thus far, and this is so precisely because of the fact that we are different. Because by virtue of our geographic location and our history we are more deeply entwined with Europe, and we can act as a conveyor of values. We can become a nation which better understands and better conveys one or another Eastern or Western European idea or perception.

## YUGOSLAVIA

**Advantages of LCY Entering Into 'Opposition' Viewed**  
28000045 Zagreb *VJESNIK* in Serbo-Croatian  
18 Dec 88 p 4

[Article by Vlado Rajic: "Could the Party Become the Opposition?"]

[Text] If the League of Communists wishes to retain its historical role in the future of the South Slav peoples and regions, if it wishes to maintain a critical distance from the time in which it is operating, it becomes necessary for the party to pass over into the opposition. This would give a new thrust to the initiation of reforms announced at the 17th Meeting of the LCY Central Committee, which would then be freed of the pragmatism of day-to-day politics and the everyday obligations which the crisis dumps on the party's back. Responsibility to history for

the country's destiny, viewed in terms of modernization of the government and the economy, the functioning of federalism, up-to-date relations among the nationalities, and catching up with developments in the civilized world would thereby be shared among all the system's political and civil entities, and the constitutional role of the LCY as the party that is the proponent of the system instead of the party embodying the system, which is what it has been up to now.

### The Need for a 'Faction' Favoring Reform

What has come of the initiative to separate the government from the party and the party from the government in the context of the government party? The first result has been the disintegration of democratic centralism as the internal law by which relations are established in the LC. Mikulic's gesture with the signed ballot during the secret balloting and Lazar Mojsov's warning about the possible consequences of votes of confidence in the members of the presidium (instead of the entire body) are merely signals of the order of values in the party. The LCY cannot enter upon its own reform with those values, much less head up the changes in the economy and the political system. The 19th Meeting of the Central Committee demonstrated exactly what this means; the political-ideological platform of the economic reform was supposed to take final shape at that meeting. That platform did not come about. The heterogeneity of ideological currents in the Central Committee was incapable of weaving together the strong fabric of a party position on that.

Just imagine that same 19th meeting if it had been organized within a political organization that was in opposition not to some other party in power, but even toward those of its own members who are holding positions in the government. It, the party, would not come to the plenum from the plane of opposition with the intention of sending a policy message to the ruling stratum concerning the economic reform, but rather above all to resolve the dilemma about whether it itself favors a consensus economy or a market economy, the kind of position it will take on establishing relations with Europe and the world, the way it looks on the key mechanisms for carrying out the reform in view of the real existence of differing interests, differing levels of development, and differing industrial structures in the various parts of the country. All the dilemmas would be resolved through debates within the party, and only then, when its view had been shaped, would the opposition party act to influence the government and the system. On behalf of itself, in order to bring about that government and system, but also on behalf of its political reputation with its own members and before that structure that stands outside the party system. This way, the LCY has raised the problem, but it has burdened it with a pile of differences that are part of the very tissue of its membership and its leaders.

Which accounts for Stefan Korosec's phrasing about a "coalition of reform forces." The context in which he mentioned that new term necessarily implies the creation of a reform "faction" in the LCY, which would have a clear platform freed of republic, ethnic, and similar distractions persistently imposed from within the ranks of the LCY itself as the causes of all the domestic troubles. That "coalition," if Korosec is well understood, would bring together those who are competent (in terms of knowledge, product mix, the commitment to a high level of production, and so on), by contrast with the leveling thesis which has caused more harm to Yugoslavia's development than all its leadership teams taken together.

Such an alliance assumes, of course, that democratization and its necessity as the turn is made toward a modern state be conceived on a far higher level. A democratization, then, freed of ethnic mythology and the instruments that go with it (rallies, confessional homogenization, comparisons based on the criteria of which nationality has gained and which has lost in the new Yugoslavia). The immense social energy which at the moment is being consumed in a futile effort to prove what cannot be proven would be applied in the direction of achieving the goals of authentic reform.

#### A Collision of Programs

The party in power and in the position which it has today in the system simply cannot perform that task. Why? Because any global change in that direction threatens some of its members who hold positions in the system that are directly related to the sources of the negative developments. An example: the stubborn insistence that the Kosovo drama be resolved through the efforts of the party has not yielded results. But if results are to become possible at all, the role of the party has to be strengthened in the government mechanism, the army, the police, the administration, and the judicial system. Those are the only instruments by which the adverse trends in Kosovo can be halted. Today, the party does not have those instruments (let us be naive and say that instruments on that order of functions are not mentioned in the LC Bylaws as the means available to the organization). Accordingly, an attempt is being made to rebuild the system that has broken down in the province with a new assault that would finish it off.

Once again, let us attempt to imagine the same situation if the position of the party is that of a counterforce to such efforts. First, all the arguments would be in its favor, it would no longer have to adopt decisions that intersect disputes among the nationalities, and it could converse quite differently with its members entangled in the provincial crisis. It would not figure, even indeed toward members of the LCY, as a force bigger than life able to render judgments, but a force capable on its own behalf to replace ineffective people with better people regardless of the provincial, republic, or federal level at which those ineffective people are working at present.

Yugoslavia today needs a fundamental revolutionization of the values on which it will develop in future. Every attempt made so far has resulted in a threat to a portion of the membership as to their acquired rights, which in part were realized on the basis of credit taken by presenting the party membership card. When the position of the party is that of an opposition, it becomes clear to every one of its members that advancement on the government, public, professional, and political ladder is possible only through performance, not by relying on the historical merits of the organization to which one belongs. At the same time, the party puts up for election only those of its members who will not do anything to threaten its reputation, political integrity, and authority. Their collision in the election with "nonmembers" would not be a matter of a personal test in some competition between parties, but a collision between the program whose realization the LC guarantees and its own certainty that the best candidate has been chosen from its ranks.

#### Opportunity for an Alternative

The party's position as the opposition would also make it possible to debureaucratize its own leadership, by the simple fact that it could function only within the framework of its own program and bylaws as an organization of individuals who have chosen to join it. As the party in power, the LCY has necessarily made membership in it a condition for political and professional advancement. In practice, it removes the voluntary attribute from the individual's performance of party policy and from his influence on the form and content of that policy. It is by the logic of things that the individual has become an apparatchik. Evidence that this is the case can be seen in its membership numbering 2 million and amounting to 10 percent of the population. That is a quite sufficient number to carry out any reform of the system, including the one that has been announced. Why has the party not been successful in doing so? Because the reform compels it to protect a system which is falling apart, and in that dissolution it has had the largest part to play.

As is always the case with a new idea, it remains on the margin of the situation in which it surfaced. Thus, Korosec's "coalition of reform forces" did not draw particular attention at the 19th meeting, nor in the subsequent commentary on that meeting. The reasons given so far for the party's moving over into the opposition demonstrate why this has happened.

But another thing that is happening and which the LCY is again not taking seriously is the space that has been opened up by the crisis and which is gradually being occupied by opposition ideas that have been given more or less concrete shape. Entangled in pragmatism, as the crisis deepens and its efforts to halt it fail, the party will only be adding new arguments to those ideas and to their proponents, running the risk of burning up entirely in defending something which can no longer be defended. And that is a model of its own role in the system, a role

that in future will be fatal to any design of the system that would insist on it. The LCY's move into the opposition, on the other hand, would fill the opposition space, and all the alternatives arising today would be placed in a situation, depending on how convincing they are, of testing concrete responsibility for those solutions which today they are comfortably and effortlessly "selling" as an alternative to the line centered on the party system.

We would even go so far as to say that it would even be in the interest of the party for those holding key offices not to be its members. Then it would have much more right to offer its own programs and to compete with them in selecting one of several alternatives for development. This way, the way matters now stand, the LCY is usually an opposition to itself, and this is then referred to as a failure to carry out resolutions. How is it possible to carry out the resolutions of, say, the 19th meeting when some 30 speakers have spoken in favor of at least 15 differing lines of argument concerning reform, the strongest of which were precisely those which have brought the country and its economy into this situation? No matter what you say, there is no theory.

### Developments in Montenegro Analyzed

#### Overview of Discussions

28000044 Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 18 Dec 88 pp 11-12

[Unattributed article: "Criticism From the University"]

[Text] "We do not have any other country except Yugoslavia. We do not have any better republic than Montenegro, nor do we have a better party than this LC, nor have we been given any other time in which to live.

"Such as it is, all of this is ours, and it is far from being good. It is terribly difficult for us, because we do not suffer only from our own illness. We experience all of the sufferings of Yugoslavia as our own. We are not reconciling ourselves, however, with having things go from bad to worse for us. Our demand is for the democratization of society, and our demand is for us to take our fate into our own hands. We have enough will, strength, and knowledge to start. What else we need is just for you to leave the political scene.

"That is because for a long time now we have not trusted you who have lead us and brought us to this point. In particular, we do not trust you who administer Montenegro from a distance, you whose children do not share the fate of Montenegro's little children, and you who see the fulfillment of your life's goal outside the borders of this country.

"Because of all this, the least price that the people can set, more than charitably, is your departure from the political scene."

These words, uttered calmly, responsibly, and with full conviction, which were uttered on 10 December 1988 by University Committee secretary Momir Bulatovic at a joint session of the Presidium of the Central Committee of the Montenegrin LC and the Presidium of the Titograd LC University Committee, seemed to be rising from the throat and "head of the entire people."

The words that were uttered, as if they were a factual judgment, as if they were the very voice of reality, express the very essence of Montenegrin sociopolitical and economic reality, pregnant with great difficulties and dangers.

What are the main features that characterize the Montenegrin situation?

All of our interlocutors (we are publishing our conversations with them in this issue of NIN and the next one) feel that the Montenegrin political leadership is not legitimate. This is indicated not only by October 1988, and not only by the meetings, rallies, and strikes, but also by the fact that most of the LC basic organizations, as well as the Youth League, do not accept and reject the "Report" from the two presidencies (state and party) on the protest meetings in Titograd and Niksic and other meetings and rallies in Montenegro. In Niksic and Budva, for instance, virtually all of the party organizations refused to accept this report, and furthermore directly demanded the replacement of the principal Montenegrin leaders: Veselin Djuranovic, Vidoje Zarkovic, Miljan Radovic...

The attitude toward this report was perhaps best expressed by Dragan Radovic, at the above-mentioned session of the LC and University Committee presidiums: "According to the Montenegrin leadership, the threat to the statehood and identity of the Montenegrin nation, institutions, and constitutional order could only be averted by force. The Montenegrin people has not been informed even to date who it was that was threatening it (which individuals, which groups, which state)—because only another nation or another state can threaten the identity of another nation; individuals can only challenge it. The Report on the October events portrays the threat and the defense with selected facts, as the very essence of those events. The assessments that the demands and protests at the October meetings were justified but groups and individuals abused them are not convincing. At any rate, the attitude of the OOSK [LC basic organizations] toward the report has shown that a legacy of distrust remains and that this 'national patriotism' of the leadership is actually an alibi for preserving its own acquired position and privileges; this is bringing the relationship between the leadership and the membership to a critical point."

Continuing, he pointed out that "it was particularly painful to learn that there are people in the leaderships who do not possess elementary democratic virtues (the revocation of an irrevocable resignation), and who are

personally and morally insensitive to the demands of the public and the needs of social reality, and who do not react as people, and instead demonstrate their passion for keeping power."

A drastic confirmation of these words was given at the same session by the statement by Radovan Radovic, who will be remembered in our political life solely for the quantity of his various irrevocable resignations and the means by which he submitted them. Through his example one can clearly see an unprecedented privatization of the problem of responsibility, an almost childish contempt for and ignorance of certain objective prerequisites for the determination of responsibility. His challenge and demand that his colleagues and the academics present, if they wanted and dared, carry his written resignation two meters to the chairman, represent an unprecedented attempt to turn his colleagues and academic personnel into couriers.

Our leaders, and especially Radovan Radovic, will not realize that the issue of responsibility is not an issue of their private self-understanding of their own morality, but rather a problem that is subject to objective means of verification, and there is nothing more objective than the way in which all of us are daily confronted with the consequences of their poor policy.

Our impression is that maintenance of the present situation may have very serious consequences and lead to new widespread expressions of popular worker, youth, and student dissatisfaction, to new mass gatherings and strikes with unforeseeably serious consequences. Also contributing to such an assessment is the dissatisfaction of a very large number of people with interrogations, detentions, and the use of various other measures against the workers and citizens who took part in meetings and rallies. The most drastic example in recent days has been the initiation of an investigation of lawyer Nada Lazarevic-Jovovic on 26 November 1988. The investigation of her is being conducted because of the suspicion that she committed the criminal act of spreading false news because she published in DUGA more or less generally known things, on the basis of which most of the news media, reporters and journalists, and even the citizens of Montenegrin could be put in the dock or placed under investigation. So far we have learned that the investigation proceedings are continuing and that the Opstina Court in Titograd has rejected the objection from lawyer Nada Jovovic. This appears to be a very peculiar response by the Montenegrin authorities to today's appeal from the forum for human rights for amnesty for all those convicted of verbal crimes.

What is particularly traumatizing the Montenegrin situation and making it more difficult is the use of nightsticks and clubs, tear gas, and other means of force against Montenegrins. As we know, the Montenegrin character is particularly sensitive to this, and can by no means overlook or forget it.

At the last Montenegrin Republic Conference, its chairman, Dr Ljubisa Stankovic, particularly dwelt on the use of force in his opening speech: "The meeting was interrupted by the use of force. I say 'the use of force' responsibly, since SUP [Secretariat for Internal Affairs] representatives do not deny that there was a 'slight pushing back of the people,' which according to the physical definition of force is sufficient to note that the meeting was interrupted by the use of force... A particularly serious incident took place when the Boris Kidric Steelworks workers went to join the participants in the meeting. With uncertainty caused by the change in the name of the measures undertaken that morning, and not believing that anyone could prohibit workers in a workers' country from joining their colleagues, they went toward Titograd. They had not even reached the Danilovgrad opstina, much less the Titograd opstina in which the measures were announced, when specially dressed units consistently carried out their assigned task, although I am certain that they were not trained for stopping workers. The workers were stopped and had to go back. There are several versions of how it was done. Certainly tear gas was used, and some people needed medical assistance after the intervention. The workers claim that tear gas was thrown in front of the group, behind it, and in the middle of it, that they could only flee down a steep slope, with several people being injured, some of them seriously. The workers also claim that the injured ones were not taken to a hospital by the militia, but rather by the local residents, and also that they were driven back to Niksic by flashing lights and sirens, which had a humiliating effect upon them."

In the above-mentioned discussion, University Committee secretary Momir Bulatovic also dwelt on that repressive and wartime context in which the expressions of the indignation of citizens, workers, and youth were formed. Speaking about the 15 points of the University's demands, Bulatovic said, "The demands were finally formulated during the early morning hours of 14 October 1988, the day when the 17th session of the Central Committee of the Montenegrin LC was held, the day when special troops armed with automatic rifles and enriched by their combat experience at Zuta Greda again appeared above the roofs of Titograd houses, the day when one did not dare to walk freely around the city, one of several days which will long remain carved into the collective memory of the Montenegrin people, and a day whose memory, even now, overwhelms us with a feeling of shame, disgrace, and rage. We felt that all those who had influenced the course of events thus far should leave the Montenegrin political scene once and for all, for profoundly moral reasons if nothing else. That is why we devoted 11 out of a total of 15 points in the Demands to personnel change. We would like to remind the Central Committee of the well-known and affirmed rules of democratic decisionmaking and election. Planning on addressing the highest political authority, we did not consider it our obligation to explain our demands and

point out their significance. We also respected the time of the members of the Central Committee, by making it possible for them to come across the less than two pages of our text.

"The result is well known. The mountain shook, and not even a mouse was born."

**Titograd Committee Secretary**

28000044 Belgrade *NEDELJNE INFORMATIVNE NOVINE* in Serbo-Croatian 18 Dec 88 pp 12-13

[Interview with Momir Bulatovic, secretary of the League of Communists University Committee at Titograd University, by Milorad Vuclic: "We Do Not Believe You!"; date and place not given; first paragraph is *NEDELJNE INFORMATIVNE NOVINE* introduction]

[Text] In this issue of NIN, we are presenting a few highlights from an extensive and rich conversation with the secretary of the LC UK [University Committee] of Titograd University, a graduate student at the Economic Faculty, Momir Bulatovic, whose political statement at a joint meeting of the two presidiums will undoubtedly occupy one of the places of honor for recent years.

[NIN] Was October 1988 only the culminating point of the dissatisfaction of the Montenegrin people?

[Bulatovic] Even before October, terrible dissatisfaction was smoldering in Montenegro. Before the meetings and rallies, the younger generation in Montenegro did not live in the present day. It did not know how to express its dissatisfaction. It did not have a safety valve to express that dissatisfaction. It was only the opportunity to display that indignation and dissatisfaction in an organized manner that demonstrated how intense and widespread that dissatisfaction was.

The rallies, therefore, did not just represent support for the Serbs and Montenegrins in Kosovo. No. Kosovo is close to Montenegrins' hearts, but something else lay in the depths of their souls, and that was precisely what was expressed. Kosovo was only the motive for the people to go out into the streets on so large a scale in Titograd, Niksic... The element of Montenegrin prestige was also present in all of that—the meeting in Titograd had to be the largest one to date, and it was. The leadership was against holding the meeting, and then the bubble burst; it was demonstrated in practice how much the leadership had become separated from the people.

All of us who were on the streets knew how many of us there were and that there were not a few tens of thousands of us, as reported by POBJEDA, and that we did not deserve the kind of commentary that was given on Titograd Television. A large role in the formation of public opinion in Montenegro has been played by the fact that Titograd Television is very weak in both material and personnel, so that on the second program we

mostly watch Belgrade broadcasts, and then we can see all the differences. We have opportunities to see how one event is interpreted more objectively and in a way that is closer to our hearts, and people have taken positions accordingly.

[NIN] What is the reason for that weakness in personnel and that poor selection?

[Bulatovic] It is funny that Montenegro is shutting itself up within narrow limits just the way that it is. That is done in order to avoid broader competition among personnel, ideas, and knowledge, because many of the people who have occupied secure positions in Montenegro never could have been what they are outside the narrow Montenegrin region. They need to shut themselves up in their Montenegrin nation in order to be the first, at least in their own village. Such a personnel policy has had repercussions not only in politics but also in the economy, and all of this together has become harmful to the Montenegrin people. The situation is particularly catastrophic for us in the economy precisely from the standpoint of administration and management, because obedient comrades from the opstina committees with correct political biographies went there. They have simply ruined what little economy exists in Montenegro. It will be easy for us to get the better of this leadership of Montenegro, but there is a real fear that after them will come even worse ones, those from the second league of politicians. That can only be avoided if we create both a system and rules according to which anyone who does badly has to be replaced. Only that can exert pressure upon all future political teams to act in accordance with the tasks of the time.

[NIN] Where do you see a possible chance for Montenegro?

[Bulatovic] From an economic standpoint, our Montenegro is statistically negligible. We are less than 2 percent of Yugoslavia in every respect. Our chance lies in the fact that we in Montenegro can be a test range for democracy, precisely because we have a very high Yugoslav orientation in Montenegro. That should be utilized.

It is precisely from that point of view that I cannot be angered very much by Slovenia's assistance to Montenegro. Montenegro is in such economic collapse that it will soon have to ask for assistance, but that assistance should be given on the basis of what Montenegro can be for Yugoslavia, the fact that it can be a very strong element of cohesion in Yugoslavia. Helping Montenegro in order to break up Yugoslavia further, however, is really unacceptable, and is encountering a stormy negative reaction in Montenegro. The people here would rather starve than eat bread that could be characterized as that of traitors, precisely from the Yugoslav standpoint.

In any case, Montenegro needs to concentrate on the development of tourism, agriculture, etc. In addition to this, I am convinced that with a different way of organizing what we have in Montenegro, all of this could be used economically much better, because basically, Montenegro has not made too many mistakes. It was developing on the basis of a Yugoslav development concept, but when that concept turned into its own opposite, when Yugoslavia was actually split up after 1974 and when national economies arrived, then it was demonstrated how senseless Montenegro's development had been.

#### Occupation of Montenegro

[NIN] What is the basis for your unwavering position on the need to replace the Montenegrin political leadership?

[Bulatovic] We felt that developments in Montenegro had led to political obstruction. To put it simply, it is now impossible to initiate any activity whatsoever. It logically follows from this that the first step is for those people to leave the political scene, because this situation and this kind of obstruction can no longer be tolerated. None of us, I swear, has anything personally against those people, but they had an obligation to admit that they had made several mistakes, and their crowning mistake was the use of force against the Montenegrin people. This people will never be able to forgive them for that—and not just the use of force, but also that passive repression which lasted for several days afterward. Montenegro was occupied for 12 days. That is something that the Montenegrin leadership cannot be forgiven, and they have to pay the full price for that.

We at the University had another dilemma. We have the potential for relatively quickly offering a program for personnel revitalization and democratization in society, which would result in the possibility of economic renewal. We considered whether that program should be offered at once, and we decided not to do it, because then the present political team could grab onto that program and adapt it to themselves. We therefore arrived at the position that we would use all of our energy and all of our potential, but only when it is really decided that this political team, which has completely gambled away the people's confidence, has to go.

Unfortunately, they began to reduce our demand "Go" to personal and individual responsibility, although we insisted that that was not in question here and that the time for individual responsibility had passed; this was instead a question of the Montenegrin people's collective lack of confidence in the political leadership. By refusing to understand what we were telling them, the individuals beat their breasts, portrayed their moral and ideological purity, cited their ancestors, etc. It hurt them that at the meeting of the two presidiums we showed them the absurdity of determining their property situation on the basis of their statements. We literally told them that it was a senseless gesture, because if morality is determined

on the basis of a personal statement about morality, the result is known in advance—someone who is moral is moral, and someone who is immoral will lie once more in order to turn out moral. I had the impression that from time to time it was a meeting and conflict between two worlds. It is high time for at least some political leaders to be awakened from their comfortable sleep.

[NIN] In that context, how do you interpret the support of the Presidium of the LCY Central Committee for the Montenegrin leadership, and the compliments that it was "obedient" and "did not create problems"?

[Bulatovic] If a person wanted to play diplomat, he could answer in two ways. The first is that the Presidium of the LCY Central Committee does not have full information on what is happening in Montenegro, and so on the basis of such erroneous and incomplete information it is supporting the Montenegrin leadership. That is the more acceptable and more optimistic version. The second answer is that the political leadership of Yugoslavia has the information, but that there is a bureaucratic alliance in that leadership. The bureaucratic alliance exists, and according to that bureaucratic logic a disruption of bureaucratic power at the level of all of Yugoslavia is possible, and therefore less damage will be done by supporting this kind of Montenegrin leadership. That assessment about obedience upset people tremendously. Montenegrins have never prided themselves on being the most obedient ones and never creating problems.

[NIN] Based on everything you have said, the question that justifiably arises is whether the Montenegrin leadership has any legitimacy at all.

[Bulatovic] Any leadership that does not have the trust of the people is not legitimate. That is clear; and there are even some attempts to prove that it is not legal. By raising the question of trust, we raised the question of the legality of giving trust under conditions in which central criteria are being eliminated and completely wrong political assessments are being given.

[NIN] The question is being raised of why you are doing what you are doing, what you will do next, and whether anything fundamental can be changed quickly.

[Bulatovic] We did everything that we have done primarily in response to pressure from the membership, and guiding that great energy from the dissatisfaction of young people. We did what we have done in order to try to continue to maintain some sort of reputation for the LC at the University. If we do not succeed in all of this that we are doing, we will not be able to unite the communists at the University. The same thing is probably happening in work organizations as well.

What will we do next? We will wait and see what will be decided by the next session of the Central Committee of the Montenegrin LC. In the meantime, we will hold elections at the University LC Conference, and that will

be the occasion for us to submit a report on our overall activities and give the new University Conference clear and unambiguous tasks concerning what it should do and how. We who have been in political posts so far will leave, and demonstrate in that way that this is not any kind of struggle for power, but rather a normal and necessary process of political changes.

I am afraid that nothing will essentially change in the next few days. I privately think that it will not. I am also afraid that in that case, we will be threatened by great anarchy.

#### Head of Youth Organization

28000044 Belgrade *NEDELJNE INFORMATIVNE NOVINE* in Serbo-Croatian 25 Dec 88 pp 12-13

[Interview with Ljubisa Stankovic, president of the Montenegrin youth organization, by Milorad Vuclic: "Beginning of the End"; date and place not given]

[Text] We asked Ljubisa Stankovic—a young scientist with a promising professional career and the current president of the Montenegrin youth organization, who has become known to the Yugoslav public for his courageous and honest speech at the meeting of the two highest Montenegrin political representative bodies, held after the October events in Montenegro—about the legitimacy of the Montenegrin leadership.

[Stankovic] It is quite clear, after what happened in October, and also after the events which followed, that the Montenegrin leadership does not enjoy confidence among the broadest strata of workers, youth, and citizens. That is best demonstrated by the views expressed in the party organizations in connection with the two presidiums' report on the October events. Not even the arguments given by those leaderships are being accepted, and it thus becomes quite clear what kind of reception is being encountered by the positions and conclusions constructed on the basis of that report. It shows that the leaderships still do not have any authority, and that is why early elections at all levels and an extraordinary congress are being sought.

The youth organization's demand for a vote of confidence on this leadership has been turned into its opposite, because of a failure to establish new criteria. Instead of determining responsibility for the present situation, and bearing the consequences, the vote of confidence at the meetings of political forums seems to have been aimed at the self-confirmation of precisely those forums and leaderships, and this has made a very unfavorable impression among the people, both among communists and all other citizens. That is why the youth organization became involved and was among the first to initiate demands for holding new elections and a congress, because we think that the present leadership no longer enjoys confidence.

[NIN] What are the reasons for this lack of confidence?

[Stankovic] Leaderships which operate with this sort of composition are already closer to the end of their term than to its beginning. The least that was expected of those leaderships was that they halt a further decline in the standard of living and a further deterioration of living conditions. Not only did that not happen, however, but we have also had an even more drastic decline in real personal income, an increase in the number of people unemployed, and even, for the first time in history, a decline in the number of those employed, etc. A version of reforms is being offered that stays within some hazy ideological framework and that is not being carried out... That is too little for one term. That is why the responsibility of the leaderships is quite clear.

I think that it is not necessary to insist so much upon determining individual responsibility, although it can be determined in the basic organizations; instead, we should insist on responsibility for the situation in which society finds itself, and that is so obvious that no new evidence is necessary for this. It is a quite sufficient argument for the responsibility of those who have lead this society and brought it to this point. Naturally, there are also those people who have been sitting in their posts for several terms already, and it would be enough for them to look around and see how justified the demands for their departure for their positions are.

[NIN] What else contributed to such a bitter expression of the dissatisfaction of the Montenegrin people in October 1988?

[Stankovic] In addition to dissatisfaction with the socio-economic situation in Montenegro, the slowness and ineffectiveness in settling the Kosovo question also contributed a great deal to the dissatisfaction. In this region the Kosovo question is perceived very emotionally and seriously. The failure to halt the counterrevolution, genocide, and terror in Kosovo also contributed to the accumulation of dissatisfaction, and it was directly manifested the moment that the rally in Titograd was announced. Instead of the leadership's giving support and contributing to the organization of such an expression of the solidarity of the Montenegrin people with the Serbs and Montenegrins in Kosovo, the leadership disassociated itself from it. That was the beginning of the end in severing the ties between the leadership and the working people and citizens of Montenegro.

The counterrevolution in Kosovo has been going on for years now, and for years delegations of Serbs and Montenegrins have been going to Belgrade, trying to talk with the highest officials, getting promises that something will be done, returning—and the situation has gotten increasingly worse. Naturally, at a time when the system's institutions could no longer be expected to halt the deterioration of the situation, the only thing left for the people was to organize itself and thus point out the problems in Kosovo and the ways to settle the Kosovo dispute. That is the exceptional benefit of this self-organization, because we can still see that there has been

an acceleration of the pace of attempts to resolve individual issues that can contribute to solving or at least improving the situation in Kosovo, and for the time being that situation is still far from being stable and normal.

[NIN] The Yugoslav party leadership met immediately after the October 1988 events in Montenegro, but after the continuation of the 1981 counterrevolutionary demonstrations in November 1988, it took 10 days for them to meet.

[Stankovic] I must say that the reactions of the Presidium of the Yugoslav Central Committee are very strange. It had to meet after the events in Montenegro, but it nevertheless had to take into account the kind of reports that it had on those events and what kind and which reports it was basing its conclusions on, because we can see that the reports delivered to the LCY Central Committee Presidium by the Montenegrin LC Central Committee Presidium and the Montenegrin Presidency are not accepted by the membership in Montenegro. The Yugoslav party leadership should naturally think about that. On the other hand, we see that the LCY Central Committee Presidium has refrained for a long time from an assessment and conclusion in connection with the demonstrations in Kosovo, which leads one to think that that leadership is not sufficiently united on vital and key matters. It is clear that the divisions within our highest party body are quite pronounced, and that those divisions are very symptomatic.

[NIN] Judging by the violence in Kosovo and the repressive measures and the use of nightsticks in Montenegro, it seems that the Serbs and Montenegrins are the only ones against whom violence can be more or less safely used.

[Stankovic] I would like to remind you that the Montenegrins are still in first place, because they have been subjected to both repression in Kosovo and the use of force in Montenegro. Throughout its entire history the Montenegrin people has shown pride and resistance to the use of force to resolve issues, whether that violence has come from without or within. The use of force against the Montenegrin people has left serious scars on the souls of Montenegrins, because it is a region in which honor is more important than life or anything else. The measures that have been used are being taken very seriously in Montenegro, and particularly because, I think, there were no grounds for the use of those measures. Now, from a distance of two months, one can say quite justifiably that there were no grounds whatsoever for the use of active or passive repression against the Montenegrin people.

[NIN] How do you explain such quick support for the use of repressive measures from the Central Committees of Slovenia and Croatia?

[Stankovic] That is really hard to explain and interpret. It is incomprehensible to me that such support can be received so quickly from our very highly developed republics, Slovenia and Croatia, which, as we see, are advocates of democracy. Support for such a means of solving social problems is almost incompatible with what is otherwise advocated within those republics. I think that the reason for such support is the strong ties among bureaucratic structures, which are trying to preserve their position and their power at any price, even at the price of clubbing the people. It is precisely such speed in finding a common language with respect to crushing the social and popular dissatisfaction in Montenegro that is indicative.

[NIN] At many meetings in Montenegro you are being proposed as a candidate for the highest party bodies. Are you prepared to accept these candidacies?

[Stankovic] I am very honored that at this time I am on the list of those being proposed in various areas. Nevertheless, I could not accept it at this time. Both my organization and I are against the criteria according to which the election and renewal of the leadership are being conducted, and therefore, it is precisely for reasons of principle that I am unable to accept any candidacy whatsoever. The opinion of the Youth League, and my own personal opinion, is that the present elections, i.e., a change of up to one third, will not contribute to improving the work of the forums, because more radical and greater reforms are needed. A full contribution to surmounting the present social crisis cannot be made in the existing forums, which have been only slightly changed. Given more radical and more comprehensive changes, I would naturally be prepared to do everything within my power to have the present unsatisfactory situation surmounted. Otherwise, I think that science is my basic commitment, which does not mean that at certain periods I could not sacrifice part of my scientific work if society required this.

[NIN] How does the Montenegrin youth organization view the present social situation and the necessity of comprehensive reforms?

[Stankovic] To put it most simply, young people support reforms and think that radical changes are necessary in the economic and political systems and in the social superstructure. The youth organization will support the consistent fulfillment and implementation of those reforms. We think, however, that first of all it is necessary to carry out personnel changes and changes in the political system. It is an essential condition for moving ahead, but naturally not a sufficient one, since personnel changes by themselves do not mean anything; they only mean a step, a preliminary step toward changes. I repeat, however: without radical personnel changes in all the leaderships, it is not possible to go forward. We cannot do that with the people with whom we have reached this point, and we do not believe that they can lead us forward. The essential thing is changing the electoral

system itself and adopting criteria that will prevent the further perpetuation of a lack of qualifications, inability, blind obedience, and incompetence.

[NIN] How should Montenegro be developed in order to emerge from these difficulties and the profound crisis?

[Stankovic] Montenegro should see what its comparative advantages are with respect to other parts of the country. First of all is tourism, which with more attention could very definitely be at a world level soon, because the foundations for this exist. After all, some parts of our coast are already at a very high level. Furthermore, in Montenegro, in addition to the possibility of developing tourism we have the ability to develop agriculture. Along with correct guidance and the use of agrotechnical measures, agricultural production should be oriented toward tourism, in order to ensure a market for those products. Montenegro has the natural conditions for the development of livestock breeding, three national parks, numerous cultural monuments...

What is important, and what I particularly want to emphasize, is that Montenegro has a university in Titograd whose potential should also be used. Also, the present situation shows that Montenegro has a large number of both young and capable people who are willing to make a full contribution to surmounting the present situation, which is truly catastrophic.

#### Budva Activist

28000044 Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 25 Dec 88 pp 13-14

[Interview with Svetozar Marovic, president of the Executive Committee of the Budva SO, by Milorad Vucelic: "Montenegrin Story About Job"; date and place not given]

[Text] "Let us have no more electoral deceptions"—that was the title of a declaration by the Republic Conference of the Montenegrin SSO [Federation of Socialist Youth] in September 1984. The writer of that declaration, who received harsh political condemnations from the official political bodies and the public media obedient to them, is Svetozar Marovic, at that time the president of the Montenegrin youth organization. Marovic is now the president of the Executive Committee of the Budva SO, and many of that city's initiatives and successes are correctly associated with him. Asked about the current Montenegrin sociopolitical situation, Marovic recalled the Book of Job.

[Marovic] As you know, the book talks about the sufferings of Job, from whom Jehovah, having decided to conduct a sort of experiment, gradually took away his wealth, children, and health, and led him to ruin, allegedly testing whether Job, who had been distinguished by his piety, would become angry and renounce the great and clement Jehovah.

Job suffered for a long time, agonized, and blessed the Lord as before. On the brink of ruin, however, he could not endure any more and rebelled against him. The Lord, through his religious emissaries, reproached Job for his pettiness and lack of faith, and the ashamed Job reconciled himself, after which God restored his health and his wealth to him.

We have been reminded of that book in the last few days while listening to or reading the statements by Vidoje Zarkovic and a few other Montenegrin leaders, who in connection with the "October events" in Montenegro addressed rebukes and announced sanctions, especially against the vanguard part of that republic's public. They are obviously concerned about its "infantility," because of which it is not ceasing to criticize the Montenegrin political leadership, and because of which it is quite justifiably raising the argument of that leadership's formal illegitimacy and openly voicing questions about the competence of this or that political leadership. The Montenegrin leadership is demonstrating a bewildering and intolerable one-sidedness in its understanding of social and political reality. Specifically, it not only simply overlooks the fact that its approach is contradicted by the fact that the legitimacy of a democratic system is closely linked to its effectiveness, but also refuses to understand that the basis of any legitimacy boils down to public opinion's positive attitudes toward institutions, authority, and the ruling group.

Therefore, by an attempt to glorify fragmentary legitimacy, in a way that recognizes values as binding and accepted, as "regulative ideas in conduct and in assessment of the conduct of others, regardless of the success of the action in question," one cannot resolve the objective crisis of the legitimacy of this leadership, and after all the legitimacy of the other leaderships in our country.

[NIN] You are obviously making and drawing a clear distinction between legitimacy and legality?

[Marovic] Legitimate political institutions and authority are lawful in a higher sense than legal lawfulness, and there are well-known cases in which institutions and people are in agreement with the provisions of positive law, but in spite of that public opinion and competent social criticism reject their legitimacy, as in this Montenegrin case, and deny them their confidence. If a majority of the LC basic organizations in several cities do not accept the political assessments of their republic leadership, then I think that it is much more advisable to seek the causes of such a result than to initiate a repressive mechanism for formal discipline (or some other repressive method).

First, it seems, what is particularly important for the unique nature of the Montenegrin experience, significant because of the open expression of the dissatisfaction of the political public, is the performance and efforts of the political leadership of this republic in stressing xenophobia (by pointing out the danger of hostile militant

groups of outside—Serbian—national ideological origin), atavism (the threat to autonomy and nationality, and the need for homogenization for the sake of defense), and expediency (downplaying the significance of legal security in comparison with the advisability of everyday pragmatic results)...

Because of everything that has been cited, the public deliberations can recall Radek's famous statement in 1921: "The workers do not support us," he said, "we cannot waver; we must impose our will upon them." That statement fairly openly reveals indifference toward legitimization, i.e., the justification of authority.

[NIN] Are there any other reasons for this approach by the political leaders?

[Marovic] As these events have also shown, we can seek the reasons for such approaches to some extent in the domination by so-called synthetic figures in our political structures, which, separated from the organization, fall apart in hopeless anonymity. As public opinion has learned in many previous cases, even those more prominent individuals have preferred to continue to function as derivatives of a collective figure, probably because they do not want to lose their armchairs and their forum-based peace and privileges.

Even though the events which have taken place very concisely expressed the political public's disgust with the uniformism of the collective and its depressivism, while simultaneously seeking stronger influence by the individual, the marginalization of the individual as the source of political power has continued, through the equal effectiveness of self-censorship and the industry of modern ostracism.

Beyond any doubt, it would be extremely unjustified to attribute these characteristics solely to this republic leadership, i.e., to the structure of political reality or the community. Perhaps this is the reason, not only in the Montenegrin public but also in the Yugoslav political sphere, for the consolidation of a "personality syndrome," significant for its negative attitude toward personalities in the political leadership who accept the

articulated interests and will of the people or class as something determining and binding for their actions. Probably nothing disturbs the collectivist awareness more than harmonious relations between the political public and a certain individual and the composition of some collective body.

Such an ideology of "metaphysical elitism," activating its defense mechanisms, very quickly succeeds in producing a Damocles' sword of suspicion above a "chosen individual," ascribing to him either a demagogic skill in identifying himself with the masses or accusing him of being a leader who succeeds through his ability to recruit others for his own goals. In such an ideology of inferiority, for which the reality of their own incompetence and second-rate nature turns into attempts to discredit public figures, the only real "chosen ones" are those who produce the esoteric functionalism of unions and coalitions of those actually holding power.

[NIN] What are the possible ways out of this situation?

[Marovic] The complexity of the situation in which we find ourselves requires that the political leaderships show themselves capable, not of developing their own contrived and binding formula for legitimization, but rather of being aware that such rules will be established in spite of their will, through the permanent nature of not only the activity of the masses but also, above all, of the organized public. Above all, this will be due to the primary needs of ensuring survival.

Those who must therefore be aware of this include the comrades in the Montenegrin leadership who, because of the lack of such an awareness and the lack of an appropriate articulation of it, have demonstrated considerable disagreement with the demands of reality, and are arousing concern and anger among the progressive public, primarily because of knowledge of the realities of the forces of conservative awareness in the process of formulating demands for something better and happier. We can arrive at something better and happier through the independent activity and self-organization of the interested parties (workers, youth, and the people), and not through "gifts" from Jehovah. •

## CZECHOSLOVAKIA

### Agricultural Results For 1988 Summarized 24000040a Prague LIDOVA DEMOCRACIE in Czech 2 Dec 88 p 1

[Article by Pavel Kacer: "Agricultural Score"]

[Text] Winter has left its calling card. November's frosts and finally also the first sizable snowfall have taken their toll and not only on the roads. The change in weather also caught some agricultural enterprises in a state of undress, so to speak. They were unable to get the whole crop of late vegetables under cover in time and so damaged not only their own pockets but also deprived the market of vitamins.

So autumn work in the fields has ended. In some places even prematurely when the workers had used up their limit of fuel oil and the machines had to be set aside involuntarily. The scrambles to get more liters of fuel are going on (for which time now?) without finding the best solution on the right level.

The cooperatives and state farms are now starting the big job of taking stock and making preparations for the next year when the department will already be operating under the principles of restructuring. The evaluation activity is all the more important for all organizations.

Our agriculturalists expected a great deal this year. They especially wanted to recover the dynamic development of plant production so that it could keep pace with animal production. After the very successful year of 1985 there were 2 leaner years with field production dropping 5.2 percent and 4.4 percent respectively. The need to replenish supplies of grain feed and bulk fodder became ever more urgent, as well as the need to set in certain reserves for the future.

This expectation, however, was not fully met in the third year of the Eighth 5-Year Plan. In the Czech Socialist Republic [CSR], however, they did succeed in raising plant production compared with the 2 preceding years by 1.1 percent and 0.3 percent respectively but the planned goals were not reached. However, one must not overlook the positive aspects which bode well for the future.

The growers in the CSR, even under less favorable weather conditions, met planned production in the amount of 7 and 1/2 million tons of cereals and in addition supplied 32,000 tons of grain. An average yield of 4 and 1/2 tons of cereal per hectare is among the best in the history of our agriculture. Nevertheless, in grain production we remain 15 to 20 percent below the level of developed producing states, such as the FRG, Austria or France. Nor were we able to reduce the indebtedness from the past, less favorable, years which represents over 300,000 tons and which considerably hampers the development of our cattle breeding.

Suppliers of winter rape recorded a favorable chapter in this year's closing growers' balance sheet. On an area of 100,000 hectares they raised 300,000 tons of oleaginous seeds and thus exceeded the planned procurement by nearly 14 percent. It is precisely this crop that gives us the best proof that it pays to take a systematic approach toward production technology, that is, by securing all possible resources and observing all agrotechnical, nutritional and protective principles.

The worst this year befell growers of sugar beets with a decline of more than 30 percent of anticipated tubers. Beet yields keep dropping in this 5-year plan and also the sugar content in seasonings is insufficient. The continuing decline in cultivated acreage also operates unfavorably. Agricultural enterprises should show greater interest in this root crop because of much higher costs which the sugar industry will be paying for this raw material as of next year.

Although this year's production of potatoes is fully sufficient to satisfy all buyers, their quality is too unsatisfactory. In spite of many measures taken we have not succeeded in improving the quality of tubers for consumption.

The situation has also not changed in the production of bulk cattle fodder. Although storehouses of fodder plants in the past 3 years have been overflowing the value of the fodder obtained has not been high. The shortage of nutrients in these feeds leads to excessive consumption of grain and also to lower milk consumption at present.

After several unfavorable years growers of hops this year fulfilled all commitments for domestic and foreign buyers. However, the past indebtedness of 5,000 tons of dried hop heads still exists.

Nor do other items on the growers' balance sheet give much cause for satisfaction. Traditionally now our agriculture has not managed to meet national orders for fruit and vegetables nor has procurement of other special crops been met.

If we consider the results of plant production in 1988 strictly by today's standards we must state that so far the desired change has not been achieved, whether in the amount of production, its quality and also excessive costs. While developed agricultural enterprises are thriving and have also made great progress this year, a number of others continue to stagnate. Unaccountable differences between growers under similar production conditions have rather even intensified. And that even though society has devoted considerable funding in recent years to lagging plants in order to raise their efficiency.

It shows that only effective economic mechanisms based on consistent self-financing can provide the incentive for their further development and the need to discover their own potential and overcome deficiencies, especially on the level of management and organizational work.

### Development of Coal Industry to Year 2000 Viewed

24000054d Prague DOKUMENTACNI PREHLED  
in Czech No 47, 1988 p 1-2

[Text] Coal has been mined in Czechoslovak basins by the industrial method for over a hundred years. Only since 1945 our coal reserves yielded over 5,000 million tons of bituminous coal and lignite, of which over 1,600 million tons is black coal. There are 5 economic production units in the CSSR which carry on coal mining. Black coal is mined by the concerns Ostrava-Karvina Mines Ostrava (OKD) and Black Coal Mines Kladno (KD). Lignite is mined by the concern North Bohemian Lignite Mines Most (SHD), Lignite Mines and Briquet Works Sokolov (HDB), and Coal and Lignite Mines Prievidza (ULD).

#### Black Coal

The most important producer of black coal is the Ostrava-Karvina Mines concern which accounts for about 86 percent of the country's total output. It is also the primary supplier of coking coal. It is estimated that since mining began in the 18th century this basin has produced 1,300 million tons. Presently a search is on for possible new areas of the basin. From this point of view the most interesting are coal deposits in the Frenstat, Pribram and Darkov areas. Construction of new shafts will prolong the life of the basin to the end of the 21st century.

The Black Coal Mines Kladno concern mines coal in the classical part of the Kladno-Rakovnik basin, in the Podkrkonoše basin, in the vicinity of Plzen and the Rosice-Oslavany field. According to rough estimates these areas have thus far yielded 325 million tons of coal. Mining of Kladno coal after the year 2000 will be concentrated in the Slany area where the possibility of obtaining power generation and coking coal is envisioned.

#### Lignite

In Bohemia brown coal is mined in the Podkrusnohory basins. The North Bohemian basin is worked by the North Bohemian Lignite Mines Most, in the Sokolov basin the producer is the Lignite Mines and Briquet Works concern. The SHD area has so far yielded 2,500 million tons, the Sokolov basin about 850 million tons. Most lignite is used to fire power plants; coal from some parts of the surface and deep shaft mines is sorted out for home fuel. The SHR provides about 70 per cent of the total production of lignite, the HDB roughly 22 per cent. Finding new and presently unknown deposits can not be

expected in any of the lignite basins. Deposits in the Cheb basin and the Czechoslovak portion of the Zitava basin are being tested for industrial suitability.

The Coal and Lignite Mines Prievidza concern produces brown coal from the Handlova-Novaky basin and the South Slovakian basin, and lignite from the South Moravian basin. These have yielded about 230 million tons. Promising areas are primarily in the Breclav vicinity and southwest Slovakia.

#### Concept of Further Development

The CSSR Ministry of Fuel and Energy has prepared the Principles of the CSSR's uniform energy policy for the years 2000 to 2005, from which emerges the further concept of development for the CSSR's coal industry. It contains the following objectives:

To gradually reduce the mining of lignite (brown coal) as permitted by the energy balance of the state, in connection with resolving ecological problems, with developments in the economics of mining and resolution of social problems connected with production cutdown.

Brown coal will continue to be the basis for heat generation from centralized resources as consumption for power generation declines. In contrast with the past, its role as a source of supply to cover increasing requirements of centralized heat services will gradually decline. After 2000 use of brown coal will be considered also for the chemical industry.

Mining of black coal should be assured in principle only to the extent of the need for coking coal. It is assumed that overall mining of black coal will be reduced by about 15 per cent in the next 20 years.

At the end of this millennium the function of coal will undergo gradual change. Brown coal will cease to play the key role in power generation but will remain an important source for heating; its utilization in the chemical or petrochemical industries will increase. Black coal will continue to be a raw material resource above all for the metallurgical industry.

#### Newly Formed Slusovice Bank Operations Described

24000039c Brno ROVNOST in Czech 5, 26 Nov 88 p 5

[Article by Miroslav Pezlar: "The Bank In A Cooperative: Slusovice JZD Has Made Economic Information An Active Tool Of Management"]

[5 Nov, p 5]

[Text] One of the main goals of restructuring is to stir up the stagnant waters of our economy. This is well known and we are gradually coming to admit that the world has gotten a little bit ahead of us. On the one hand this comes as no surprise. The system of thoroughly worked out

regulations, decrees, and resolutions of central institutions has gradually whittled away all independent decisionmaking by lower organizational elements, above all those which actually create the products, to the point where their managers have become well paid executors and real creative ideas can be implemented only by magic tricks that resemble decisions and measures aimed at meeting vehemently desired but unrealistic plan targets. There has already been a lot of criticism and opinions expressed about this situation. Resolutions adopted by party sessions and approved laws about state and cooperative enterprises, however, have formed a springboard for breaking out of this limiting strait jacket. Each individual however must react himself. The strength of the reaction will determine which organizations test the depths of the words and the theses of the Seventh and Ninth CPCZ CC plenary sessions.

#### Economic Miracle?

Every visit that I make to the Slusovice Agrokombinat gives me the opportunity to compare the work forms and techniques of this cooperative with those of other agricultural enterprises of their kraj.

I have visited the JZD Agrokombinat several times and have read the available publications of its management. Still I would not venture to say that I know about every iron they have in the fire. Nor, based on my experience, do I want to force the opinion on anyone that this is some socialist economic miracle, even if the results that have been achieved and annual growth rates of 30 percent suggest that this is the case. Small children may believe in miracles but all mature adults know that results and reflections of activity are mainly the product of people, their hands, and their brains. No one at Slusovice believes in miracles. They do however believe in the quality of all aspects of their management and in the people that perform these managerial functions. In this series of articles on the cooperative's bank we will get to know several young cooperative members and one of the forms of active economic management and focusing of entrepreneurial activity in this cooperative.

#### Banker Without A Cigar

I have always pictured a banker to myself as a portly man with a computer instead of a brain, dressed in a pinstripe vest with a gold chain, callouses on his thumb and forefinger from counting money, and the indispensable cigar in the corner of his mouth. This picture, which came from several films produced in the West that I have had occasion to view and caricatures in DIKOBRAZ received a severe blow in the case of the Slusovice banker, Eng Arnost Traxler, candidate for doctor of science. This friendly, athletic looking man and his smiling assistant, Eng Eliska Mikeskova, proved for me the argument that a man should not live in his imagination, especially a manager and an economist. In this line of work a clear rule applies that comes in no way from wishes and the imagination, but from daily reality.

Moreover, I was lucky in that the director was present when the bank was founded. Even though he was doing another job, he joined the team that implemented the idea of setting up this institution in the JZD (so far they are not common). He has therefore known the functioning of the system since its infancy and was willing also to discuss future objectives.

Does it seem to you that we have already become somewhat accustomed to the fact that the members of Slusovice are not afraid to alter the proverbial iron shirt and adapt its style to the requirements of a particular period? And admit it, aren't you rooting for them a little bit as well? Setting up an internal bank for the enterprise is a surprising step for many, but in Slusovice it is just a logical extension of their efforts to improve the internal economic management system, which is undoubtedly one of the critical tasks now facing us in the economic sphere.

#### He Who Hesitates...

The first steps in setting up the internal enterprise bank were taken by Slusovice members exactly a year ago. At that time the chairman, Eng Frantisek Cuba, candidate for doctor of science, called together experts from the economics division and the division of R&D and investment development and explained to them briefly the idea for the institution. The implementation plan was ready in four months. It included not only the necessary economic preconditions for establishing the bank but also, as has become the rule at this cooperative, proposals for staffing and organizational measures. This assured that the internal enterprise bank would not have to overcome its childhood diseases in temporary conditions. At the edge of Slusovice, right next to the permanent exhibition of the machinery produced by the cooperative a new prefab building was erected. It contained all the necessary equipment and space for programmers, computers and their operation, managers and staff, and provided for contact with individual production microstructures. Seventeen branches were set up at the same time where managers of various operations could submit documents on payments and revenues. All these sites are outfitted with TNS-GC computers, which are connected with a system of similar computers in the control center of the bank. We will return later to the actual functioning of the central office and the branches.

#### Why A Bank?

A significant part of our conversation with Eng Traxler and Eng Mikeskova was devoted to analyzing the objectives of setting up a bank in the cooperative. Readily available information on the financial situation of an operation, a plant, microstructures and of the cooperative as a whole is an integral part of current management efforts to place emphasis on the role of self-finance and the development of entrepreneurial activities by microstructure organizational units. For contemporary undertakings this type of information is absolutely essential.

This is one side of the answer to the question in the header. The second, no less important side is the active role of the bank in the management and control of internal enterprise finance and the economic ties between individual organizational units. Both areas are equally important and their outcome is the first step to meeting the fundamental objective—to make economics a tool for actively influencing managerial processes.

Let's look at a concrete example. As business is currently practiced economics gets the floor at the very end, when we are deciding whether or not a product is economical, whether or not it "turned out." It is of course true that every new activity is preceded by economic calculations, but how many examples exist of situations when internal or external conditions change in a short period of time to such an extent that what was originally a highly profitable product turns into an unprofitable product, or when a development trend within a sector "went off" in another direction entirely than what was projected. In these cases it is already too late to make a critical decision, because significant resources have already been sunk into preparations and it can easily happen (and it does happen most of the time) that in taking such an approach we jam on the brakes in our race with the competition.

#### Condition of Decentralization

"Decentralization of managerial activities and the full development of cost accounting at the lowest organizational levels is a precondition for the smooth functioning of the internal enterprise bank. If these conditions do not exist it makes no sense to set up a bank." Engineer Traxler expanded on this thought with additional arguments. For instance, currently when revenues and payments "grind" in a single enterprise mill the absolutely precise economic performance of the enterprise is known after the books are completely closed. This happens once a year. It is senseless even to speak about the management of individual production entities because additional shortcomings "down below" are easy to overlook from an enterprise wide viewpoint. This reminded me of several cases from last year's final accounting cycle at several agricultural enterprises in our kraj, where as late as mid-December the economists were assuring the managers that they would make their numbers, then several days later, thanks to insufficient access to information on payments and costs they found themselves in the red. A smoothly functioning internal bank simply would not allow these situations to occur (Nor should a smoothly functioning economist allow them to occur).

#### Order Makes Friends

The internal enterprise bank has been in operation at the JZD Agrokombinat only for a few months. There is not much of a base of experience, in other words. Nevertheless, there has been one experience, a significant one. Systematic pressure from the bank has brought, above

all, an awareness and order to the circulation and especially the evaluation of reports on the financial operations of individual organizational entities. Even though at the beginning some managers tried to avoid it, they soon realized that it made no sense, because by holding back on a payment "for uncle Unexpected" they only shortchanged themselves. This realization came about mainly on the basis of very carefully thought out regulations and close attention to compliance with them.

I was especially impressed, for instance, by bank pressure to reduce inventories at production units. This nationwide problem of ours is freezing substantial financial assets at Slusovice also. If we add to inventories of finished goods inventories of materials, you have trouble waiting to happen, and such enterprises can in a moment find themselves insolvent. It is well known that living on credit doesn't pay. They have provided for this as well in the JZD Agrokombinat, using economic incentives to lead production and service divisions to the careful choice of solvent trading partners. No great advantage comes from the penalty that the user pays for exceeding the payment terms of an invoice, because even the small incremental payment cannot compensate for the time between the sale of the product and payment of the invoice that the seller's account was empty. Even this apparent small matter is a drag on entrepreneurship. It should be stated that most of these problems are caused for Slusovice by external suppliers and users who have not yet given much thought to playing an active role in their economies.

#### Overcoming Obstacles

New things are not born easily at the JZD Agrokombinat, and not everything is successful on the first attempt. This was in fact the case with the internal enterprise bank. For instance, plans to rapidly simplify accounting procedures have so far floundered on inadequacies in the computer network used by the system and its communication lines. There are still some problems in differentiating between invoices from internal users and from suppliers. Even though these problems may seem insurmountable from today's perspective, they will be overcome. You see, I have already observed a number of times in this cooperative that people from different offices if they are working on a common task, approach discussions on apparently unresolvable issues with an attitude that they can be resolved....

Next time we will take a look at how things function in such an internal bank.

[26 Nov, p 5]

[Text] The first article of this series on the internal enterprise bank at the Slusovice JZD Agrokombinat explained certain circumstances and the reason for setting up this organizational unit. At the same time we considered the conditions the fulfillment of which made possible the successful functioning of this institution

within the cooperative. This information surprised some of you so you asked us if it would be possible for a JZD to set up such an internal "financial institution." The best response to these questions is the law on agricultural cooperatives which states in section 37 that the division of a cooperative into organizational units is determined by the regulations and organizational rules of the cooperative. These are under the control of the cooperative. The Slusovice organization therefore is no exception, but a logical requirement for the further development of this agrokombinat.

In another vein, Petr Suchanek of Uhersky Brod-Havrice wrote: "I enjoyed the article, 'The Bank In A Cooperative,' that appeared in ROVNOST of 5 November. The Slusovice JZD is a fine cooperative, but many people look askance at it. They feel that it must have achieved these results dishonestly. This gives rise to various legends and jokes. I have heard these on both radio and television. People say that it isn't socialist, so they cannot imagine any restructuring of their JZD."

This interest has pleased us. We are glad to publish an article that inspires readers to engage in concrete discussions at their places of work. This is how we perceive our role in implementing the ideas of the 10th CPCZ CC plenary session.

#### **The Bank As A Building**

In my conversations with the Slusovice "banker," Eng Arnost Traxler, candidate for doctor of science, and his assistant, Eng Eliška Mikeskova, they reminded me on several occasions of a fundamental difference in the meaning of the word bank. In their view one must differentiate between the concept of a bank as a building from that of a bank as a system. Let's begin then with the bank as a building. As the picture shows we are not talking here about a building with meter thick walls, armed guards at every door, which you can enter only when a computer identifies and verifies your personal numeric code. The entry to a typical Slusovice one floor prefab building consists of four steps leading up usually to glass doors. For the curious I can add that I never ran into any secret entrances in the hallways that lead to a basement safe, so it would probably be difficult to find any gold bullion or bars. It was this discovery, actually, that convinced me that the Slusovice bankers think in terms of a bank in the second sense of the term.

#### **The Bank As A System**

We have already discussed the general objectives that the management of the JZD Agrokombinat had in mind when they laid the cornerstone for the cooperative bank. Now we will crack the shell of this nut and get at the economic meat of the matter. Engineer Traxler presented it to me this way: "The main objective of our internal enterprise bank is to form effective financial mechanisms to direct the entrepreneurial activities of internal enterprise units operating on a cost accounting

basis. The main impact of these mechanisms will be to improve internal enterprise cost accounting and to strengthen the role of self-finance for organizational units such as operations, plants, and microstructures. We will also have an impact on accelerating the turnover of working capital and on improving discipline in its management. As we have already stated we are exerting significant pressure to optimize inventories and are providing operating information to support decision-making on resource allocation, all economic activities of the enterprise and its organizational units."

This means then that the operations of this bank include very important activities normally performed by a cooperative financial division, such as handling supplier and consumer invoices, even though such tasks do not belong organizationally to a "bank" as a building.

#### **They Have Their Own Accounts**

Cost accounting entities have operating accounts set up in the internal enterprise bank. All payments obtained are credited to this account, and all amounts disbursed to purchase materials or to pay for services are deducted from it. In contrast to common practice in other enterprises, this bank does not recognize material that has been shipped or material that is in a warehouse. The account is charged mainly for the value of those material inputs that go directly to consumption. These measures in effect force managers to develop an organization and to manage the production process in a way that will turn purchased raw materials into finished products as fast as possible. It is also in their interest to sell finished goods to customers as fast as possible.

Each operation is assigned a numeric identification code which is entered on orders for materials or requested services. The supplier references this number on the invoice, and everything goes smoothly. The accounting office can immediately identify the operation concerned, and the computer debits the account for the invoiced amount. Except...In the context of the enterprise it was not too difficult to institute this requirement. The situation was worse with external suppliers. Some of them do not pay much attention to putting the correct number on their orders. For them the only important number is the invoice number. In this regard, the bank director recognized the immense piece of work performed by accounting office employees. On a daily basis these employees have their hands full with about 800 invoices. It is no small matter to identify them all and match them up with the proper account. Especially when the order number is missing or the invoice is for items for more than one operation. For just this reason it sometimes happens that an amount is debited to the account of the wrong operation. It must be a real mess, you are probably saying to yourselves. The operation doesn't buy anything, but still has to pay for it. The accountants learn from their mistakes however.

### Check Color Also Important

Instances such as the above can happen, but when they do the debit to the account of the incorrect operations doesn't stay there very long. Every manager, you see, keeps close tabs on the activity of his account. This allows him to keep track of the economic status of his operation, so that rapid adjustments can be made when necessary in the production process. When a manager discovers "the wrong eggs" in his nest, he gets rid of them immediately. But how? With an internal enterprise accounting check. "You would be surprised at how fast such a misplaced debit finds its rightful owner," Engineer Mikeskova notes with a smile. This noncurrency payments relationship has "settled down" very rapidly in the financial relationships within the cooperative. Movement to individual operating accounts is handled by checks of different colors. For instance, white checks are used for common internal enterprise payments for products and services, red checks are used for transfers and payments of wages, blue checks for the payment of amounts for joint participation, and green checks are used for payments related to modernization of production. A check has three parts. The first and most extensive (see example) contains all necessary information. The second part is used for the confirming stamp of the bank (Eng Traxler: "It has turned out that this part isn't functional, and whatever isn't functional we'll get rid of."). The third part is a record for the issuer of the check.

This single check (it is issued without a copy) has replaced transfers, internal invoices, overdrafts, and even earnings and receipts. Of course original documents exist to document the checks. Travel orders, for example. "Originally we thought that the check could also replace the original documents, but we learned that such a check would have to be so extensive that it would defeat our efforts to simplify procedures," adds the director.

### Details Not Underestimated

To illustrate, I asked both financial experts for a concrete example. Here it is. The bank director arranges with the transportation division to move some clay. The driver arrives, does the work, and the director pays him for it with a white check. The driver takes the check and deposits it at a branch of the bank. From here an employee of the branch bank enters the check amount, which is transmitted to the bank's central computer. The provider of the service, in this case the transportation division, has the amount of the check credited to its account, and the same amount is deducted from the account of the director.

Regulations require that the checks be deposited by the provider of the goods or services. This measure is designed to prevent customers from being lazy in submitting checks. Every provider, after all, has an interest in seeing the amount received for the goods or services he has provided appear as soon as possible in the plus

side of his account. Experience has also shown that customers, before they write their checks, carefully inspect the quality of the work performed or the materials delivered. So you see that the system can have an impact on even seemingly small details.

I was interested in the potential for fraud in writing checks. I know of numerous examples from other places. "Of course the potential exists, but it is negligible here," engineer Mikeskova calmly responds to my assertion. "Our system of economic relationships between organizational units, where one sells and another buys, would quickly uncover any attempted fraud. In particular, it is impossible unilaterally to add or subtract anything."

Then I thought to myself how many problems could be avoided if similar systems were instituted in all our other enterprises. It would eliminate haggling over invoices and would certainly put us closer to a solution of the problems with supplier customer relations and inventories.

### Computer Instead of Calculator

You have certainly noticed that several times in the preceding lines I have praised the economists both of the financial division and from individual cost accounting units. My wife is in the same line of work, so I was interested in the equipment these women have to perform their work. My wife will quietly envy most of her colleagues from the branches of the bank. Instead of the traditional Ascots, which remind you of horse gear, or the more modern Elk or other manual calculators, every economist, or accountant as they used to be called, uses a computer. This is absolutely essential for their work. Especially for the managers of individual cost accounting centers. For instance, these employees have to be able to keep track of materials, wage, and other accounts. And these tasks, which elsewhere are divided among several people, would not be manageable by one person without a computer.

Working every day with a computer has one clear advantage for an economist. She herself, after all, controls the data that is input. This significantly reduces the number of errors in data files, and when there is an error the responsible employee is usually obvious, and she has no one to blame but herself. This is again a detail, but one with far reaching consequences.

I have frequently wondered why the vast majority of accountants are against the introduction of computers at their jobs. Now I am no longer surprised. Imagine that her input data also has to go through the hands of a computer operator before entering the computer. Experience tells me that right here is the weakest link, that here is where the most errors occur. Final computer output with errors clearly doesn't save accountants work, quite the opposite.

### Like Soldiers

An efficiently connected computer network is the technical foundation for the smooth functioning of the internal enterprise bank at the Slusovice JZD Agrokombinat. As Eng Traxler asserts, it simply is a vital necessity. It is like being at war. Individual soldiers, maybe there are 20 of them, will never take a defended position without coordination and cooperation, but a well organized unit, even with fewer men, definitely has a chance. In the case of Slusovice an additional obstacle is the geographical remoteness of the 17 villages that are involved. The greatest problem has been, is, and will continue to be the constant upgrading of communications lines so the computer system can have the impact expected from it by managerial and control processes at the cooperative.

The next article in this series will cover this critical problem of the smooth technical functioning of computer centers and their ability to transmit processed data to users. This article will also discuss the time when our communications knocked out even such a renowned producer of microelectronic equipment as IBM.

**Letters Discuss Earlier Articles on Nuclear Power**  
24000057d Prague HOSPODARSKE NOVINY in Czech  
11 Nov 88 p 6

[Letters-to-editor on the subject of Nuclear Power Plants]

[Text]

### Nuclear Power Plants

The discussion about the efficiency of building nuclear power plants continues. Two new contributions, which we are publishing here, are partly reacting to previous articles published in HOSPODARSKE NOVINY No 24, 28, 32, and 34/1988, and partly they are bringing a new viewpoint.

[Letter 1]

### Causes of Low Efficiency

First of all, we have to point out the limited informative capacity of foreign sources which we are using as a basis for comparing the parameters of nuclear power plants. They mostly give numerical values whose content is also not precisely defined, because more detailed data on the nuclear power plant to which they relate are missing. Moreover, we have to use mostly the data which happen to be available.

### Comparison

It is apparent from the differences, that the greatest share contributing to the disadvantage of our nuclear power plants (multiple of 3.4-4.18) lies in the size of the area of

auxiliary buildings (workshops, warehouses, administrative buildings) and in the overall built up area. Abroad, the main production block of the power plant represents up to 90 percent of the building compound, whereas in our nuclear power plant Mochovce, for example, only about 68 percent. Another very graphic parameter, the volume of cement and the amount of reinforcing steel is 2.38 to 2.49 times greater here. The average number of workers on the construction here indicates a multiple of 2.24-3.18.

If we compare investment costs for one installed kilowatt with the time necessary to create the value commensurate with the costs of one kilowatt in an average enterprise in the CSSR (275 hours according to the article "Controversial Billions" by Eng Milos Halouska) and in the FRG (70 hours), we find a very graphic disparity in the achieved value of 3.93 in our disfavor. But the disparity is not caused only by the inferior technical parameters of our nuclear power plants or the inferior organization of work in production and in construction.

In the mentioned article, the author proceeds from the fact that the value added for one hour of work of an average employee in 1983 reached Kcs 49.7 in the CSSR, and DM 53.3 in the FRG; here, therefore, roughly equal values in korunas as in marks in the FRG. It is well known that because of the existing labor productivity in the CSSR, our country obtains the West German mark for Kcs 7.5 on the average.

Although the purchasing power of the mark is somewhat low, nevertheless it is many times that of the koruna. The output per one hour of work is thus many times higher in the FRG. It is therefore not very surprising that even in the efficiency of the construction of nuclear power plants we find a discrepancy expressed by the coefficient of 3.91. If we make an analogous comparison also in other areas, for example in the production of cars, we find similar ratios.

The mentioned findings should not lead us to the conclusion that the efficiency of construction of our nuclear power plants is the standard and that we must reconcile ourselves to it. On the contrary, the specific causes of low efficiency must be identified so that ways for eliminating them can be found.

### Causes

Buildings are constructed according to project documentation which precisely defines their size and technical properties, and thus also the volume of construction work. The necessary volume of work decisively influences the cost of the construction part of the project. For the special buildings of the power plants, which represent about 40 percent of the cost, the general designer Energo-project orders design documentation from the Soviet design organization.

The Soviet representatives do not hide the fact that their power plants have for the time being somewhat lower parameters than the world state-of-the-art standard. For example, in the magazine ATOMNAJA ENERGIJA of June 1984, an article by G. A. Sasarin Contemporary State and Prospects of Nuclear Power Plants and Reactors VVER states, that the relative area and consumption of cement and steel in Soviet nuclear power plants is about 1.5 times higher than is the world state-of-the-art standard.

About 60 percent of the construction part is designed in the CSSR. Seemingly, therefore, the achievement of the world standard is in the hands of our designers. In reality, however, the project must above all ensure the construction of a capacity that functions in our conditions. Similarly, the design of the equipment of the construction must ensure construction under domestic conditions. But conditions in the CSSR differ in many respects from those in countries being compared.

For example, in foreign countries the operator of the power plants performs only about 15 percent of the repairs of equipment by his own facilities, the other 85 percent are performed by the maintenance service of the manufacturers of the equipment. In contrast, in the CSSR this ratio is 91 percent to 9 percent, so that our operator needs an incomparably greater number of workshops, handling equipment, machinery, warehouses, as well as more workers and the social provisions needed for them. That increases the area of the buildings.

Also, the scope of the equipment of the building site is necessarily much greater here because of the long terms for orders of materials, small number of services, difficulties in finding sub-suppliers, and failures to observe the terms and quality of the sub-supplies. All that requires putting in extensive supplies ahead of time. Such unfavorable circumstances can be found here more often.

In another set of circumstances, in Finland, the construction of the nuclear power plant Loviisa 1 and 2 and studies of Loviisa 3 showed the possibility of reaching world parameters while using Soviet nuclear technology. The efficiency of the project and construction thus is not given only by the quality of the designer and the level of technology which he can apply in his project, but also by the overall efficiency of the economy in the country of the investor.

All the constructions of our nuclear power plants had to wrestle with great difficulties stemming from their unusual technology and uncommon volume and concentration of the construction work. The terms induced an attitude to build quickly, whatever the costs. Often conditions were not conducive to exercising economy in the work. For construction to be efficient, there is need above all for good planning of the construction and a continuity of the construction work. Not even in the case

of the planned nuclear power plant Kecerovce, is the progress of planning in accord with the terms. The announced and related investments are already behind schedule (sources of aggregates for cement, construction of housing).

The continuity of the work thus far in all the power plant construction projects has not been satisfactory, partly because of delays and lack of coordination in turning over project documentation, but most of all because of the great number of additional changes (in the case of the nuclear power plant Dukovany there were roughly 1,800 changes). Changes mean interruption of the work and often involved buildings already finished. A hindrance to the continuity of the work is also an excessive emphasis on fulfilling financial indicators of the plan, leading to emergency measures.

#### Improvement

To improve the situation in the construction of nuclear power plants as described, the following actions hold promise. Within the framework of the Comprehensive Program of R&D Progress of CEMA Member Countries, the priority line 3, and for the construction part the main task 3.1.5 is directed to nuclear energy, which should incorporate more efficiently also research capacities outside the USSR.

Soviet designers began work on the design for the new generation block VVER 1000 with improved economic parameters and enhanced nuclear safety, which should be used to some extent already on the nuclear power plant Kecerovce. Our designers are trying to reduce the volume and costs of the Czechoslovak part of the design. The Czechoslovak party to the contract worked out an order for the Soviet designer, containing technical-economic parameters which, according to the opinion of the experts, are acceptable.

There should be a realistic assumption that these efforts will lead to the utilization of unused resources, which unquestionably exist in the project as well as in the construction of our nuclear power plants. But it is necessary to keep in mind, that besides the improvement of the technical-economic parameters, there is at the same time the effort to improve nuclear safety. For this reason, investment costs are rising all over the world and that will continue in the future, because other concepts for safety are on the drawing board. Whether in the case of our nuclear power plants the improvement of efficiency of the projects will take precedence, or the costs for improving safety, is hard to predict at this time.

In any case, we must continue our effort to improve the efficiency of the construction of nuclear power plants in all respects—in research, planning by investors, in design and in construction. Even the smallest improvement in efficiency represents, given the enormous scope of these investments, great values.

*Letter by Eng Rudol Sochor, Research Institute for Surface Construction, Prague*

[Letter 2]

### Which of the Available Energies?

Among the arguments presented in the discussion about nuclear power plants there appear some not very correct assertions. First of all, the construction of nuclear power plants cannot be thought of merely as a way of achieving a fuel and energy balance. At issue is a significant structural change, which should be directed toward the intensification of the national economy.

Although one can agree with the deductions contained in the article by RSDr Vitezslav Vinklarek "Where is the Contribution," (HOSPODARSKE NOVINY No 32/1988), that nuclear power at present makes smaller contributions to the national income than we need, the intensification of providing the necessary amount of power must rest above all in a change in the structure of the sources of power. For example in the fact that electricity produced in nuclear plants will replace the ecologically much less desirable electricity produced from heat and coal.

### How Costs Evolve

Current data on the ratio of costs atom-coal is 2:3 in favor of the atom. However, to make the data realistic for the present as well as the future, we must count on one hand with the inclusion of the yet uncredited costs connected with the mining of coal and production of electricity (which put a strain on health care and social services, forests and the management of water supplies, and transporation, for example), and with the continually worsening conditions of mining and with a considerably expensive program for constructing and operating desulphurization equipment (the desulphurization of a nuclear power plant requires investment costs equal to more than one third of the cost of constructing the nuclear block in question).

On the other hand, we can think about reducing costs for the construction of the present type of nuclear power plants (the nuclear power plant Temelin has lower marginal costs of investment than the nuclear power plant Mochovce), by utilizing considerable unused resources in the difference between the design and manner of construction in the world and here, but naturally also including costs for further improvement of safety. The weak point of nuclear power plants is the fact that regulating their output is economically quite disadvantageous (it causes lower service life of the equipment and lessens the potential utilization of fuel).

At this point it is useful to point out that roughly 10 years ago we were thinking about the fact that the costs of liquidating nuclear power plants will be considerable and will exceed half of the cost of constructing them. But the current concept requires that nuclear power plants be

built in localities where it will be possible to build other blocks. Then the liquidation—undertaken after a lapse of time—will be substantially less difficult.

We should have no doubts that the fuel and energy balance is not resolvable in the long run by burning our coal, not only because of ecological considerations but economic ones as well. Practical steps of the management agencies point to the fact that the fulfillment of the task set down by the 17th Congress of the CPCZ to reduce the mining of brown coal by 94 million tons in 1990 is seriously at risk.

The reason given is the nonfulfillment of tasks to reduce consumption. If enterprises were forced by the center to establish more and more new dumps where they had to stockpile coal (sometimes, by the way, from extra mining operations), they certainly were not motivated by it to engage in radical economizing. In certain months, at the same time, the ready output of nuclear power plants was not even fully utilized. The stockpiles of coal in the power plant dumps grew from year to year, even though the output of electricity from it was declining. Thus there was no shortage of electricity, which must be appreciated as a significant stabilizing factor of the replacement process. But given the impact of our inefficient prices, the motivation for streamlining was absent altogether.

### Dependence on Time

A certain fashionable solution of the fuel and energy balance in Czechoslovakia is the production of electricity from gas—for instance, the recommendation in the article by Eng Jaroslav Vostatka, "The Fifth Variant: Zero Solution," (HOSPODARSKE NOVINY No 34/1988). The author insists that in advanced countries there has apparently been a marked tendency to increasingly produce electricity from gas. This fashionable trend, however, comes to us somewhat belatedly. According to current sources, it seems that the share of gas power plants in the USA dropped in 1986 below the level of 1950, was less than half compared to 1970, and almost 20 percent lower than in 1985.

Another comment on this article concerns the numerical data which lead to the economic decision to give preference to gas. However, it is not clear from these data, what costs for the installed MW are used in the calculations. One of the peculiarities of our power plants is that the marginal costs of investment for an installed output are dependent more on the year the power plant was put in operation than on its technology. That is confirmed also by the Table.

Other than that, it is possible to glean from the Table that the marginal costs in the CSSR are higher for higher output per unit. It is also interesting that the marginal costs of the coal power plant Melnik III (1981) are higher than the marginal costs of the nuclear power plant

Jaslovske Bohunice V-1 (1979). With the current development of costs, the same relationship should apply for gas power plants.

#### Development of Marginal Costs for one Installed MW in Selected Czechoslovak Nuclear and Heat Power Plants

Power Plant	Output in MW	Year When Put Into Operation	Marginal Costs in Million Kcs/MW
Vojany I	6x110	1967	1.46
Prunerov	6x110	1969	2.0
Pocerady I	4x200	1972	2.38
Tusimice II	4x200	1977	4.56
Pocerady II	2x200	1978	4.52
Jas. Bohunice V-1	2x440	1979	5.65
Melnik III	1x500	1981	6.03
Jas. Bohunice V-2	2x440	1985	10.92
Dukovany	4x440	1986	11.35 <sup>1</sup>
Mochovce	4x440	1992 <sup>2</sup>	15.90 <sup>2</sup> <sup>3</sup>
Temelin	4x1000	1996 <sup>2</sup>	13.00

1. Preliminary data
2. Data from government experts
3. Fixed costs

#### What Costs for Alternatives

Also in the article by J. Svoboda "Four Question Marks" (HOSPODARSKE NOVINY No 34/1988) there are some questions and conclusions on which I would like to comment. The question, how much energy shall we need, is, from the standpoint of deciding the structural change coal-atom or coal-gas, marginal. However, it has its importance in the case of reducing the mining of coal. But of course only as long as the aging boilers are not, in conflict with economic and ecological requirements, restored in their present structure and quantity. That way we would be forcing ourselves to expend considerable investment resources for further mining and burning of coal.

Also the thinking underlying the handling of costs transferred to electricity produced by gas power plants in the CSSR evokes certain doubts. What inputs are used? Are we talking about a fact or about an assumption? Because it is too expensive here, electricity is produced in gas power plants only as an exception (this year nothing according to the plan, in reality one block in the power plant Vojany was on line 50 hours during the first half of this year).

In the conclusion of his article J. Svoboda states that to "continue in the construction of nuclear power at all costs, means to strip the restructuring of investment resources." Certainly we can agree that we are building nuclear power plants with costs that are too high, and that costs for their construction must be brought down to world level. But what is missing is an answer to the question how much it would cost us to provide an

alternative solution. Let us remember, that in the Eighth 5-Year Plan practically the same amount was allocated for the construction of nuclear power plants as for investments for the coal industry. Did the author look into the question how many more resources would have to be invested into the coal industry and classic power industry (possibly gas industry), if they were to replace production by which the assumed potential of nuclear power plants would be reduced?

The discussion thus far proves that we know a lot about this complicated problem of the fuel and energy complex. But it seems that everybody knows something different. Let us believe, that a mutual exchange of opinions will contribute to a gradual consolidation of data and background, and then on that basis to a correct, optimal solution.

*Letter from Eng Lubos Sobotka (Author was an employee of the Federal Ministry of Finance, and is now retired)*

#### POLAND

#### Self-Management Versus Management Model Discussion Rages On

26000260 Warsaw ZYCIE GOSPODARCZE in Polish No 47, 20 Nov 88 p 5

[Article by MK: "New Propositions, Old Dispute"]

[Text] The discussion on which model is more effective, self-management or management, has again revived.

It would seem that it had been examined from all possible angles—political, psychosocial and economic, that all of the pluses and minuses had been considered. But it appears that self-management reform still arouses a great deal of doubt. The diversity of opinions is truly understandable and even valuable, but the problem is that in some publications and utterances an attempt is being made to put some of the responsibility for the failure of economic reform on the self-managements. The members of the Planning Council of the Self-Management Studies Center could not ignore this. The matter provoked a lively discussion at the Council's meeting late last month. These problems were reported by the Council's chairman, Prof Sylwester Zawadzki, and the real catalyst turned out to be the speech made by deputy Cezar Wolff, invited to the meeting, who spoke out on this subject earlier—and not for the first time—in the same vein (see ZYCIE GOSPODARCZE No 43, 1988).

In his opinion, a kind of dogmatism has taken over self-management. It is being ascribed too large a role in a situation when many fundamental issues pertaining to the economy have not been settled, and particularly the problem of ownership and responsibility for it. Conflicts

are arising regarding the workers' council-director relationship and the competitiveness of territorial self-management and enterprise self-management. He deemed, therefore, that the entire logic of reform must be revised. But the discussants focused only on the self-management theme.

The dispute about which model in the socialist economy is more effective has been going on for a long time, and basically, neither of the sides has fully convincing arguments. There are those who say (and they have proof) that Yugoslavia's economic difficulties are due to the failure to respect the principles of self-management and not due to its inherent defects. Nor is it right to blame the present state of the economy on the striving to treat the workforces as people and not objects and the attempts to make decisions in an enterprise more democratic. We forget that self-managements "entered" into a ruined economy and furthermore—as Prof Ludwik Bar reminded—conditions for real development were not created for them. Therefore, they were not able to demonstrate all of their advantages and fulfill what was expected of them. Yet assessments are difficult to make, because there is no honest analysis of self-management's work, which the professor mentioned to the Commission on Economic Reform where, as we know, he brought up the need many times.

Also, the achievements of western economy are associated with a manager-type enterprise, often forgetting about the "democratization" of management which is taking place there. Nor do we want to remember that our Polish management is (and under our existing arrangement of sociopolitical forces in an enterprise and outside of it, will continue to be) a sad caricature of management in a market economy.

Under these circumstances it is hard to judge which model is more effective: self-management or para-management (because that is what we are really dealing with in Poland today). Frequently, in our comparisons, we have to resort to intuition. But if we recall the commotion raised by the workers' councils in defense of reform, when 2 years ago it appeared that 11 laws would be amended, then in a comparison of losses and profits the balance is favorable, because in the social consciousness management became a guarantor of reform. That is why it serves many directors as a shield and support when they reach for unconventional solutions and want to be independent.

Prof Leszek Gilejko put forth a more general thesis: That in the development of our country he sees no other variant than a consistently implemented self-management option and the creation of a broad self-management sector in the economy, recalling the argument set forth in the discussion that we printed in issue No 42 of this newspaper.

Certainly, figures would make a better argument for or against self-management. But no in-depth analyses on this subject are being made, which Prof Sylwester Zawadzki deplores. But I doubt whether it would be at all possible to make them. Not only because we still have faulty prices, but in view of the difficulty of separating the effects of the decisions of both organs of the enterprise from the coincidence of more or less favorable circumstances. It is also difficult in such an accounting to measure the social benefits, because, as Prof Ludwik Bar reminded, self-management cannot be judged only from the standpoint of the profit attained by the enterprise. Consideration must also be given to the psychological and social elements connected with the recognition of the workforce as persons rather than objects—a very important factor, especially under our particular conditions.

Self-management's latitude for independent decision-making is limited—as limited as the funds remaining in the enterprise. If a representative of the Ministry of Finance were in the hall, he would surely strongly protest such a statement, but the participants of the discussion were ready to defend the thesis of extreme fiscalism because in many of the utterances this theme seemed to recur. In this context, the statement made by the chairman of the Tonsil Workers' Council, Andrzej Frackowiak, that self-management is just as sound as the Polish economy, is logical.

In addition to these limitations—in some objective sense—there is the "paring away" of self-management's powers in various laws. There are quite a few of them. That is why self-management, under fire, lost most of its strength in defense of its position and independence. A new phenomenon appearing in connection with this evoked great concern among those assembled. On the one hand there is already a shortage of people willing to work in self-management and, as Franckowiak remarked, it may die a natural death. And this, warned Bernard Cenkalik from Bumar-Labedy, would be the final disaster of the national economy. At the same time, this complicated situation is serving to radicalize the workforces, which more clearly than heretofore are noticing a direct connection between political changes and the endurance and strength of self-management.

In the elections, it was said, the representatives with moderate viewpoints are beginning to lose and the more radical persons are gaining the confidence of the workforces.

The political labels being attached to self-managements are adding to the reluctance to manage an enterprise using social forms. This strengthens the argument of those, in particular, who put self-management and the director in opposition to each other, thus underscoring the ruinous effect of the present—in their opinion—dualism of authority in the enterprise. Yet, as Andrzej Kolwas noted, the antinomy: director-self-management, is created in an artificial way. A management model can,

and even should, be reconciled with a self-management model, for if efficiency, professionalism and competence are deemed to be traits which distinguish a manager, then they do not clash with the socialization of strategic decisions in an enterprise. No self-management can co-manage well if it is not assisted by an efficient professional.

The bogeyman of dual authority, so often dragged out by the opponents of self-management, is, according to many discussants, fiction. After all, it is no secret to anyone that a director's freedom is hampered by a completely different involvement, one of a political nature.

Therefore, self-management must constantly struggle for its identity. Certainly, the unsettled question of ownership does not make this easier. After all, in disputes about the essence of self-management the doubt returns as to whether, for example, the enterprise's workforce can manage a part of the national assets into which it did not previously make a formal investment. This, too, was mentioned at the council's meeting, although this is only one of many unsettled issues. The concept of public and state ownership is not yet completely clear. Therefore, the discussion on ownership, now underway, was brought up. The thesis that there is a need to separate the ownership of enterprises gained many advocates in this assembly.

Henryk Martyniuk from Rzeszow mentioned the growing idea of enfranchising a worker to his job. For a change, deputy Wolff put the matter to the extreme: either state management or return to private ownership. Also discussed was the possibility of transforming enterprises into companies, acquiring them as agencies, etc. (this was mentioned by Professor Zawadzki), although from the standpoint of self-managements there are many questions in this proposal and real pitfalls.

In any case, just as the issues of ownership were not resolved sufficiently clearly and completely to give a basis for the full functioning of self-management, so also an obligatory economic and financial system was not adapted to the self-management idea. The opinion prevails—to put it briefly—that the profit category does not suit a management model. Prof Aleksander Legatowicz proposed a new approach to this area and although Professor Zawadzki had announced that this part of the meeting would deal with theory, it dealt very heavily with facts.

A general outline of a model was presented (an interview with one of its authors, Dr H. Orlowski, to be published in the next issue, will give us more details) which would improve efficiency, reduce inflation, and most of all develop a motivational mechanism which would reconcile the interests of the enterprises and workforces with the interests of society in general. Thanks to it, as Professor Legatowicz says, a critical loophole would be

filled in the mechanism of reform in connection with the equivocal settlement of price-fixing rules, the result of which has been the excessive taxation so severely criticized recently.

Several representatives of workers' councils became interested in the idea, especially because the practitioners spoke well of it: Boleslaw Jesionek, director of the High-Melting Metals Metallurgical Plants, and Waldeimar Ehaust, director from Romet, representatives of two of the five enterprises which decided to introduce this model on an experimental basis.

But despite the large interest, there was no lively exchange of comments on the details of this interesting although controversial proposal. The discussion was dominated by more general issues, also important for fundamental reforms, it is true, but at an assemblage of members of the Planning Council of the Self-Management Studies Center—who, it would appear, have set opinions on the role of self-management—do not require any extensive justification. It was important, however, that the arguments cited directly collide with the opinions of those who have doubts about self-management.

## YUGOSLAVIA

**Problems in Electric Energy Industry Discussed**  
28000050b Belgrade *EKONOMSKA POLITIKA* in  
Serbo-Croatian 21 Nov 88 pp 24-25

[Article by Dragan Nedeljkovic]

[Text] By 15 November, the day when the new electric power rates officially went into effect for all consumers, up 28.5 percent for high voltage, the bodies of self-management of seven of the power companies of the republics and provinces had adopted decisions to that effect, the Electric Power Industry of Montenegro was the exception, and its decision was still awaited. What the electric power organizations actually did was to confirm the decisions on the rate increases made back in late September, except that they approved on various grounds rate reductions for consumers that are welfare cases and for business organizations which adapt their conception to more optimum use of the electric power system. If the new rise in power rates is viewed in terms of legislation and the officially adopted price policy, one would say that this is a routine matter. Since the beginning of 1986, that is, the documents have stated the social commitment to make electric power a commodity whose price is established on the market on the basis of economic elements.

The joint elements for forming the prices of electric power have become the new rate system and have replaced the previous social controls administered by the Federal Executive Council. They apply not only in the electric power industry, but also to other sources of energy and also to the railroads and PTT service. Implementation, to be sure, has not gone smoothly, since the

general economic situation, the high rate of inflation and ever deeper crisis have resulted in suspensions, postponements, and reassessments. Still, the greatest brake has been the initial large disparity of electric power rates—at the end of 1985 electricity was 38 percent of parity, parity in this case being a combination of production cost relations, domestic prices of other industrial products, and foreign rates of 13 countries in western Europe. It was agreed, then, that the price disparity of electric power would be eliminated in 3 years so as to soften the blow on consumers, and in the middle of this year the period was extended to the end of 1989.

### Impact of the Joint Elements

Now that the new system of power rates has been functioning for 3 years, it is worth making at least a rough analysis of what has been done. At the start, on 1 January 1986, the average Yugoslav rate at high voltage was 6.85 dinars/kwh, which was 38 percent of parity, that is, the level which had to be reached. After the price rise in November, the price per kilowatt-hour was 120 dinars, so that it reached a parity of 56 percent. In the meantime, electric power rates have been raised 14 times with a varying effect in terms of coming closer to the "economic" or parity price. The largest gain was achieved on 15 November of last year (when rates were raised almost 70 percent), when parity was 83 percent.

Without entering into an assessment of the joint elements as the system for forming electric power rates, there are, nevertheless, at least two questions which must be asked. The main one is where this kind of rate system is leading the electric power industry and the consumers, since it is obvious that this is a constant and futile race to keep up with the rate of inflation. It is equally important to know whether the joint elements are in effect and can they be applied automatically. Just for the sake of illustration, we should say that electric power organizations have had full power to raise rates 48 percent at the beginning of October and all of 75 percent in November, also adding to the disparity the rise in prices of industrial products that occurred in September and October, respectively.

Viewed as a whole, the new system has helped to improve the financial condition of the electric power industry, but its main defect is that it has taken effect in an unstable economic situation with highly pronounced inflation. Even a much better and more consistent system would probably not have yielded better results. The authorities do not seem to have much interest in changing this system or finding a more appropriate one, since the proposed version of the new law on prices changes only the name—instead of joint elements, they are to be called joint criteria for forming electric power rates. It is strange here that the criteria are being retained for the electric power industry, the railroads, and PTT, but petroleum, natural gas, petroleum products, coal, and other sources of energy are being switched to another system.

The road to "economic" or parity electric power rates is obviously one that still will be complicated, long, and distant. The specialists will easily agree that economic rates must in a sound economy become the main allocator of resources invested in development on the one hand and the behavior of consumers on the other. The 3 years' experience of application of the joint elements, however, refute that opinion, mostly because overall stability, including price stability, are not a feature of the domestic economy. Aside from the frequent jumps in power rates, the joint elements have also failed in their essential objective, giving the electric power industry the ability to carry on its current business and to undertake development.

### Does a Shortage Threaten?

A brief analysis of the business operation of electric power organizations this year (an estimate to the end of the year before the last rate increase) shows the extremely grave state and alarming situation. Six of the eight electric power organizations are operating at a loss, and the total losses amount to 97 billion dinars, all of 223 percent more than last year. Only the Belgrade Consolidated Electric Power Industry and the Montenegrin Power Industry will not end the year with losses. Along with the rise in power rates, there have been much faster increases in costs, deductions from income, interest rates, insurance, and other expenditures, and capital formation has dropped off drastically (it amounted to 90 billion dinars last year, and this year it will amount to 15 billion). More than half of the available capital is committed in advance to repayment of credit. The situation is most drastic in the Kosovo Electric Power Industry—the value of daily output is not even enough to cover the exchange rate differences on foreign credits.

Little help is gained from the 6.6-percent growth of output, better utilization of installed capacity, reduction of losses in the transmission network, and the rise of productivity. Some benefits are anticipated, it is true, from the announced "relief" and changes in the accounting system, but they will not be enough to improve the overall situation.

As time passes, development is becoming the key problem of electric power organizations. In all sociopolitical communities, the prevailing belief is that investment in the electric power industry does not pay, but indeed even holds back development of other activities. Contributions and legally prescribed obligations of the rest of the economy whereby resources are collected for investment in the electric power industry are being reduced or eliminated. And when such loans are furnished, the repayment terms and rates of interest make construction of new power plants so expensive there is neither a system nor price policy that would "cover" everything. People in the Community of the Yugoslav Electric Power Industry have calculated, for example, that in future they would be working only to repay short-term credit.

One can count on the fingers of one hand the major fuel and power projects under construction and scheduled to begin construction over the next 3 or 4 years. According to plans that have been adopted, in the remaining 2 years 5,414 MW of installed capacity are to go under construction, along with coal mines and the necessary transmission network, in order to keep pace with consumption. Converted to dinars in this year's prices, 5,226 billion dinars would have to be invested, and the electric power industry is able to furnish about 10 percent. Even counting all other possible sources of resources, it would be difficult to furnish even half of the total amount, and that means that in the very first years of the next decade serious shortages of electric power would threaten. The

specialists say that so long as there has been an electric power industry there never has been so little new capacity built (ratio of installed capacity to projects under construction).

The conclusion is unavoidable: the joint elements for formation of electric power rates have contributed to an immense price increase, but this is the wrong way to straighten out conditions in the electric power industry. Rates are only a consequence of the situation in the electric power industry—expanded reproduction has not been worked out, and yet the terms and conditions under which new projects are built are crucial to how much the power from them will cost.

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